NHeLP
NATIONAL HEALTH LAW PROGRAM

From NHeLP's California Office
For Advocates Everywhere

Lessons from California

Essential Health Benefits
May 2015

Introduced by the Affordable Care Act, Essential Health Benefits (EHB) are a set of ten health care service categories that health plans must cover. The EHB requirement applies to non-grandfathered health plans offered in the individual and small group markets (both inside and outside the Marketplace). On February 20th, 2015, the United States Department of Health and Human Services (HHS) issued the Notice of Benefit and Payment Parameters for 2016 final rule (Final Rule 2016), which finalized changes to the EHB standard.

Among these changes is the requirement that states select a new EHB base-benchmark plan for the 2017 plan year, based on 2014 plans. Unless granted an extension, states have until June 1, 2015 to make a plan selection (at least a preliminary choice). HHS will publish a list of selected EHB base-benchmark plans (or the default benchmark for states that do not select a plan), receive public comment, and then publish a final list later this year. Therefore, even beyond the June 1st deadline advocates can influence and shape the next phase of EHBs in their state. Below are the steps California (CA) has taken so far, and continued advocacy efforts.

ADDITIONAL RESOURCES

NHeLP Fact Sheet:
EHB Update and Advocacy Opportunities

NHeLP's EHB Prescription Drug Series:
Issue #1: Formulary Transparency

Issue #2: Exceptions Process

STRATEGY AND ACTIONS:

In CA, Senate Bill (SB) 43 (Hernandez) is the vehicle to update the state's EHB statutes and this legislation takes important steps to comply with new federal requirements. CA has selected (as a preliminary choice) the 2014 version of the state's current benchmark plan, which is the largest small group plan in the state. Stakeholders obtained the Evidence of Coverage documents for the 10 EHB base-benchmark plan options for the 2017 plan year. Advocates are reviewing these documents and have until June 5th to comment on the state's preliminary selection. In addition, the state intends to supplement pediatric vision care with the Federal Employees Dental and Vision Program (FEDVIP) vision plan with the largest national enrollment—a decision partly based on the fact that the EHB benchmark plan selected does not cover eyeglasses. For pediatric oral care the state is proposing to supplement with the dental benefits available to children under the Children's Health Insurance Program (CHIP), which in CA means state Medicaid dental benefits since the state no longer has a separate CHIP plan.

SB 43 also adopts the new uniform definition of habilitative services, while maintaining language that explains the benefit must be provided at parity with rehabilitative services, which is required. Also in compliance with new federal requirements, language was added indicating that for plan years on or after January 1, 2017, limits on habilitative services and rehabilitative services shall not be combined.

NHeLP and other CA advocates are encouraging the state to take the state option to raise the age limit for pediatric services, at least to age 21, which aligns with existing standards for Medicaid and would ensure that children continue to receive pediatric services, including oral and vision care until age 21.

Finally, the Final Rule 2016 significantly modified EHB prescription drug requirements, and NHeLP is evaluating what changes are needed to CA law and/or regulations to bring the state into compliance with the new federal requirements. Advocates in other states should contact us for more details and resources.

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