

State of Illinois Health Care Reform Implementation Council
Essential Health Benefits Workgroup
Recommendation on Benchmark Selection
September 28, 2012

Illinois Health Care Reform Implementation Council members:

After several meetings of a workgroup convened by the Governor's office, the Essential Health Benefits (EHB) Workgroup is pleased to present their final recommendation for Illinois' Essential Health Benefits benchmark plan. This plan will be the reference point for all non-grandfathered individual and small group health plans sold inside and outside of the Illinois Health Insurance Exchange beginning in 2014.

The workgroup recommends the BlueCross BlueShield of Illinois BlueAdvantage small group plan. We recommend supplementing missing benefit categories as follows:

- **Pediatric Vision – The federal BlueVision package**
- **Pediatric Dental—The AllKids dental package**

We request your endorsement of the workgroup's final recommendation for the Illinois Essential Health Benefits benchmark plan.

Overview

In August, the Governor's Office convened a workgroup of representatives from a number of state agencies to develop a recommendation to the Healthcare Reform Implementation Council on Essential Health Benefits (EHBs) for qualified health plans in Illinois. The process of developing this recommendation followed the strict and complex guidelines specified by the federal government.

As mentioned above, we are recommending the BlueCross BlueShield BlueAdvantage small group plan. Because this plan does not cover pediatric vision and dental, we must select other benchmark plans to establish a benchmark for coverage in those areas; we have selected AllKids as the benchmark for children's dental, and the federal pediatric vision plan as the benchmark for children's vision.

Goals

The group had ten options to consider, and we tried to strike a balance between **four goals**:

1. To recommend a plan that covers state mandates. If the State selects a plan that does not cover those mandates, the State itself will be responsible for related costs.
2. To minimize disruption to the market.
3. To recommend a plan that provides comprehensive coverage.
4. To recommend a plan that does not threaten affordability of coverage.

Actuarial Analysis

Our work was informed by an actuarial report from Wakely Consulting Group, which quantified the premium impact of the ten benchmark options. This report allowed us to identify the three leanest plans; that is, the three plans that would cause the least increase to the cost of insurance.

- The leanest plan among our options is the **United Health Care Choice Plus small group plan**. This plan, if selected, would have the least impact on premiums. We gave this plan a good deal of consideration. It contains a number of service limits that caused us to question whether the coverage was adequate.

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- The second leanest plan is one of the **Federal Employee Health Benefit Plans – the Blue Cross Blue Shield Standard Option**. We did not give this plan much consideration because it does not cover state mandates, which was a priority for the workgroup. All of the federal employee health plans were eliminated both due to their potential premium impact and the goal of including all state mandates.
- The third leanest plan is the **Blue Cross Blue Shield BlueAdvantage Small group plan**. This is the largest plan in the largest small group insurance product by enrollment in Illinois' small group market. It is the default benchmark plan that the federal government would impose in the event Illinois declined to select a benchmark.

Expert Consultation

Our workgroup was comprised of subject matter experts from a number of state agencies. Additionally, to enhance our clinical perspective, the Governor's Office sought and received input from a group of physicians including Dr. Quentin Young, the Illinois Public Health Advocate. These advisors reviewed covered services, service limits, and exclusions in each of the ten EHB categories. Their feedback underscored and amplified the workgroup's concerns that the service limits in the United Choice Plus plan are problematic. They noted that if the United Choice Plus plan became the benchmark, coverage could prove insufficient in the event of serious medical events, such as a stroke. Additionally, the workgroup consulted with a child psychiatrist and an adult psychiatrist about the adequacy of mental health and substance abuse coverage in both the United and Blue Cross Blue Shield small group plans; they expressed concern over the limited mental health and substance abuse coverage in the United plan. With feedback from all of these informants, the group reached consensus that the Blue Cross Blue Shield BlueAdvantage small group plan strikes the best balance among our goals.

Supplemented Categories

The federal Department of Health and Human Services identified the Federal Employees Dental and Vision Insurance Program (FEDVIP) vision plan with the highest enrollment (the BlueVision "High Plan") as the supplemental option for plans that do not offer sufficient pediatric vision coverage. Pediatric vision was not adequately covered in the BCBS BlueAdvantage plan, making it necessary to supplement with the federal plan.

Options for a supplemental pediatric dental plan were the state's AllKids dental package or the federal Metlife Dental PPO package. Workgroup representatives consulted with Healthcare and Family Services subject matter experts on pediatric dental coverage. Considering the expert opinions provided to the workgroup, we determined the AllKids package is the best option to provide affordable, seamless coverage for the pediatric population.

Premium Impact

The Department of Insurance commissioned a report from Wakely Consulting Group on the premium impact of the EHB benchmark options. This report is still in draft form, but the workgroup was able to utilize preliminary information to assess the leanest to most expensive benchmark options. The BlueCross BlueShield BlueAdvantage plan is one of the leanest options the workgroup could have

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chosen relative to the leanest option available, the United HealthCare Choice Plus plan. However, assessing how much premiums are going to change in 2014 is well beyond the scope of the EHB analysis. Because other provisions of the Affordable Care Act (ACA), such as guaranteed issue and community rating, will likely impact the cost of premiums, trying to determine the exact premium impact would be misleading.

Public Comment Period

The Health Care Reform Implementation Council received 114 comments from the public on the EHB benchmark plan for Illinois. Comments came from individuals, providers, community organizations, small businesses, insurers, associations and many others. The comments focused on a variety of topics relating to the EHBs, from which services should be covered, what level of coverage is appropriate, how cost should factor in, and how the Council should consider other issues around EHBs moving forward.

Key themes from the public comment period:

All state mandates should be included in the benchmark plan: The ACA requires the state to pay for any state insurance benefit mandates not found in the final EHB package. The state has not received guidance on how it would be required to pay for these mandates so it is fiscally responsible for the State to include as many mandates as possible.

Habilitative services & rehabilitative coverage should be covered at parity: If the State allows health plans to decide which service to cover, there will be gaps in coverage and lack of uniformity among plans, creating complexities. Comprehensive coverage for habilitative services will enable certain populations to have access to the only services designed to maximize their ability to function independently.

More than one drug per class should be offered in the benchmark plan: Individuals with many different chronic or serious diseases, including cardiovascular disease, diabetes, epilepsy, mental health illnesses and others need to take more than one drug in either the same or different classes. Some individuals may need combined therapy, while others react differently to drugs (*e.g.*, generic versus brand) and may need to take a different drug in the same class. It is not sufficient for many individuals to be limited to one drug per category or class. Cost to consumers is important too. Those who take more than one medication could see costs rise if only one of their medications is covered under the plan.

Preventive health services are important: Preventive health services with a focus on primary care helps fulfill the vision of the ACA. If individuals have the option to use their health insurance for preventive services they can not only stay healthier, but can help keep costs down overall.

Plan should strike a balance between cost and coverage: Illinois has a diverse population with people who need a wide variety of services. The cost impact on the state, individuals, and the market needs to be considered also. The benchmark plan in Illinois should not cause more disruption to the market than necessary, but should provide necessary services for the people of Illinois.

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Individual comments: 15 comments support including bariatric surgery, 15 support including ambulance transportation services, and 18 support including acupuncture.

Next Steps

The EHB benchmark plan will be in effect in Illinois for plan years 2014 and 2015. The federal government has indicated that they will provide future guidance on changes in the benchmark plan for plan years 2016 and beyond. The workgroup recommends continuing the dialogue on the Illinois EHB plan through reviewing the impact of the benchmark over the first two years and receiving feedback from the public on the benchmark plan. We recommend an open process that engages stakeholders and ensures the minimum coverage offered in Illinois meets the needs of our residents.