

Rocky Mountain Health Plans Position
Supplemental Benefits offered in COHBE
May 25, 2012

Policy Issue:

Will customers have the opportunity to shop, compare and purchase non-EHB benefits and additional plan types on the Exchange?

RMHP Position:

Rocky supports the concept of offering supplemental benefits via the Exchange after the initial launch of Exchanges, if the consumer's shopping and enrollment experience for plans offering the EHB is not negatively impacted. We believe that supplemental plans should be "stand-alone" and the offer of supplemental plans should come after selection of a QHP so that QHP's can be compared on a uniform and comparable basis.

Rocky supports stand-alone dental plans to provide pediatric and adult dental benefits in the Exchange and that the "best interest" of the consumer will be served if they are separately offered and priced.

COHBE's primary focus should remain medical and dental plans providing EHB. As a convenience and a value-added service, other types of supplemental benefits could be offered after the consumer completes the selection of and application to enroll in an EHB package via the Exchange, similar to the manner in which travel insurance is offered after purchasing an airline ticket online.

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Rationale:

Stand-alone, rather than integrated, dental plans offer consumers choice and increase price transparency.

If all medical plans utilize stand-alone dental plans to provide the pediatric dental benefit component of the EHB package, it will allow “apples to apples” comparison when selecting the medical plan and the dental plan.

Dental benefits are distinct and separate from benefits offered through a medical plan. They almost never share common deductibles, out-of-pocket maximums or other cost sharing features.

There is good reason for this. Medical and dental plans cover very different services, with very different patterns of utilization. They use different providers- dentists versus physicians and hospitals and, therefore, have very different provider networks.

Just as important, the products operate at very different expense levels, have very different claim costs and, as a result, very different prices.

Based on the way actuarial values will be calculated in the Exchange, combining dental with medical will give a distorted view of the actuarial values of both pediatric dental benefits and the health plan.

This defeats the whole purpose of the Exchange, which emphasizes consumer transparency and easy, straightforward comparisons.

Embedding dental in a medical plan also offers no savings, since both administration and pricing are done separately between the two coverages. There are no economies of scale and no savings in provider costs or discounts by combining the two coverages.

The COHBE’s primary focus should remain medical and dental plans providing EHB. As a convenience and a value-added service, other types of supplemental benefits could be offered after the consumer completes the selection of and application to enroll in an EHB package via the Exchange, similar to the manner in which travel insurance is offered after purchasing an airline ticket online.