HCR ALERT

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Self-Insured Health Plans Should Revisit Essential Health Benefits Definition For 2017

Since 2014, the Affordable Care Act (ACA) requires that non-grandfathered individual and small group market health insurance plans cover a package of essential health benefits (EHB), which include services in ten benefit categories. Large market insured plans and self-insured plans are not required to cover EHB but, if a non-grandfathered large market or self-insured plan does cover any EHB, as of the 2014 plan year annual or lifetime dollar limits on those benefits are prohibited.

To determine the specific services included in each of the ten EHB categories, the Department of Health and Human Services instructs each state to designate a benchmark plan that defines the required EHB in the state's individual and small group markets. For self-insured plans, the plan sponsor has legal responsibility for defining what services are EHB under the plan (i.e., which services are subject to dollar limit restrictions and which are not), but the final regulations on EHB provide that a plan will be considered to have used a permissible definition of EHB if the definition is a state EHB benchmark plan.

There is nothing in the regulations which prevents a plan sponsor from adopting any state's EHB benchmark plan, even if an employer has no employees in that state or any other connection to the state. Thus, in preparation for the 2014 plan year, most self-insured plan sponsors who wished to retain existing dollar limits on particular benefits (e.g., infertility, chiropractic, acupuncture, hearing aids, etc.) identified a state EHB benchmark plan that does not include those specific services in its EHB package to serve as the definition of EHB for their plans.

The initial EHB benchmark plans selected by each state are applicable for plan years 2014-2016 and states are permitted to update their EHB benchmark plans for 2017. Sponsors of self-insured plans should review the 2017 plan design for the state EHB benchmark plan they originally selected and confirm whether there are any changes which might be in conflict with benefit dollar limits imposed by their plans. Details of the 2017 EHB benchmark plan designs for each state can be found at: https://www.cms.gov/CCIIO/Resources/Data-Resources/ehb.html.

Leading into the 2014 plan year many third-party administrators required that self-insured plan

sponsors notify them of their EHB benchmark plan selection. It is likely plan sponsors will be asked to do so again in preparation for the 2017 plan year.
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Your Trion Strategic Account Managers are here to answer any questions you might have as you prepare to comply with upcoming ACA requirements. If you are not currently a Trion client and would like assistance navigating the changes required by health care reform, please contact us today by emailing trionsales@trion-mma.com.

ACA Regulations & Guidance Issued In the Last Two Months

May 2016:	ACA FAQs 31 – Patient Bill of Rights Topics
Apr. 2016:	IRS Issues Rev. Proc. 2016-24 2017 Affordability Threshold & Marketplace Required Contribution Percentages
Apr. 2016:	Agencies Issue Revised SBC Template, Instructions, Uniform Glossary, and Other R Documents

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