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# Essential Health Benefits and State-Level Benefit Mandates

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NASHP Webinar  
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# Affordable Care Act

ACA will:

- mandate coverage of Essential Health Benefits (EHBs) for some (but not all) health insurance markets. Sections 1301 (a) and 2707(a)
- affect state budgets if state-level benefit mandates exceed EHBs. Section 1311(d)(3)(B)



# Affordable Care Act

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EHBs will include:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

-- and must "equal the scope of benefits provided under a typical employer plan." Section 1302(b)

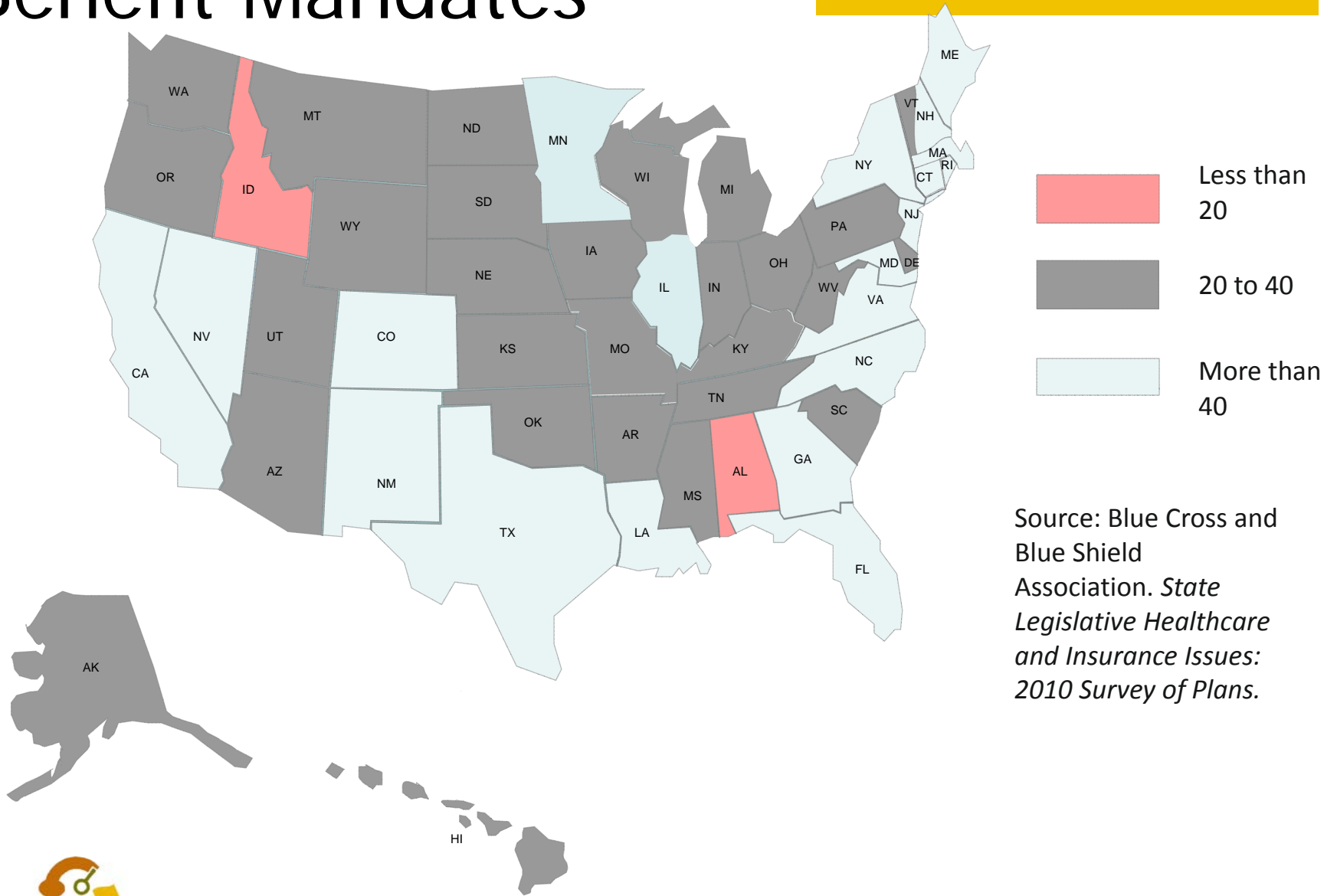


# Benefit Mandates

Require Health Plans/Insurers	Examples
TYPE 1 – to offer/provide coverage for screening, diagnosis, and/or treatment of a <u>specific disease/condition</u>	•Breast Cancer
TYPE 2 – to offer/provide coverage for a <u>specific treatment</u> (service, type of equipment, or drug)	•Applied Behavioral Analysis (ABA)
TYPE 3 – to offer/provide coverage for services provided by a <u>specific provider type</u>	•Acupuncturists
TYPE 4 - ensure benefit coverage (if provided) meets <u>specified terms</u>	•Cost-Sharing Parity, Oral & Intravenous Chemotherapy

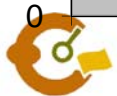
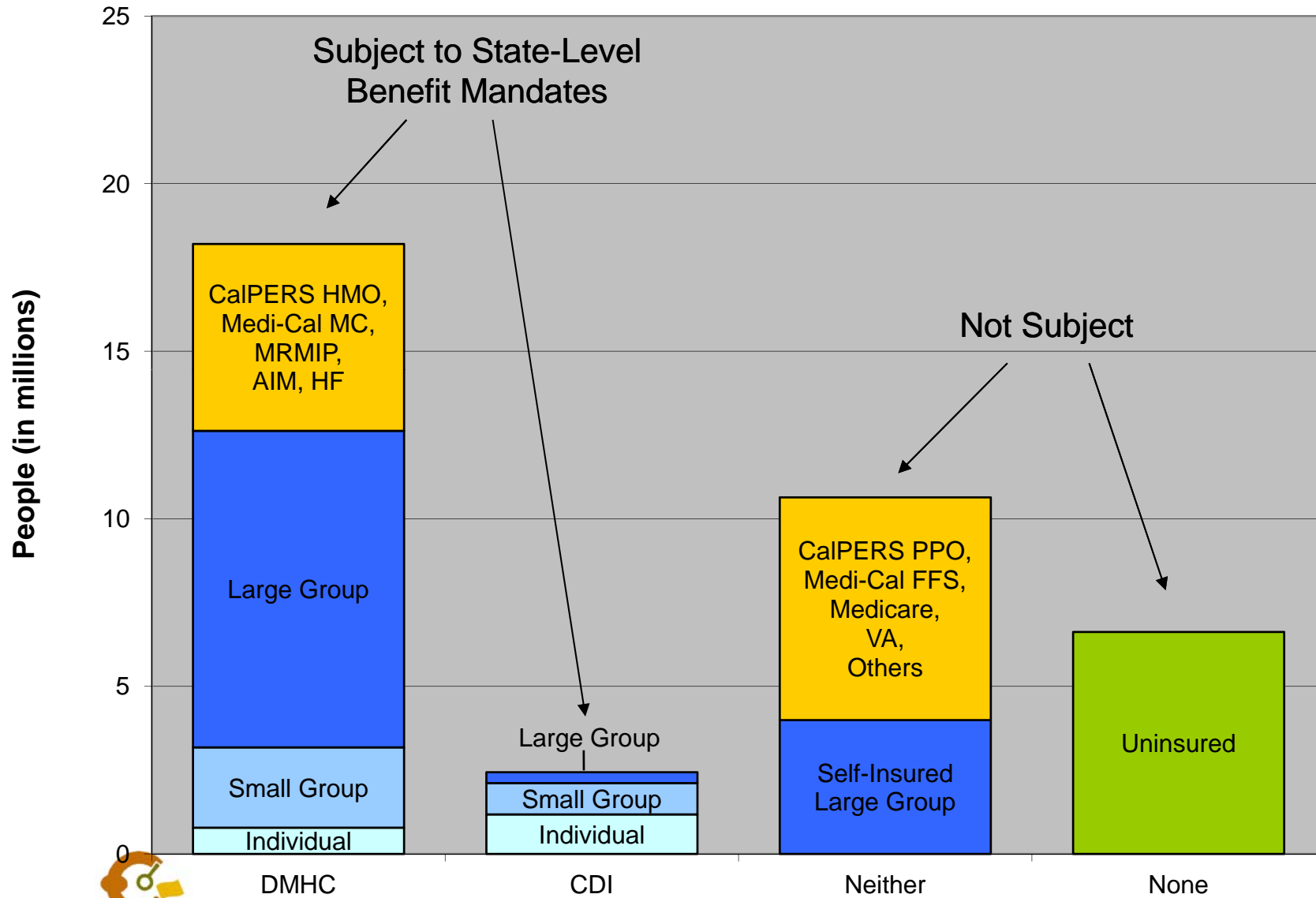


# Benefit Mandates



Source: Blue Cross and Blue Shield Association. *State Legislative Healthcare and Insurance Issues: 2010 Survey of Plans.*

# Estimated Sources of Health Insurance in California, 2010



# CHBRP

- CHBRP uses faculty to provide timely, independent, evidence-based reports on benefit mandate/repeal bills active in the California Legislature.
- CHBRP does not provide recommendations.
- CHBRP, since 2004, has considered more than 85 mandate/repeal bills.
- CHBRP is administered by the University of California but institutionally independent.



# CHBRP

- Faculty Task Force
- Certified Actuary:  
Milliman, Inc
- Content Experts
- National Advisory  
Council
- Staff at UCOP





# CHBRP Reports

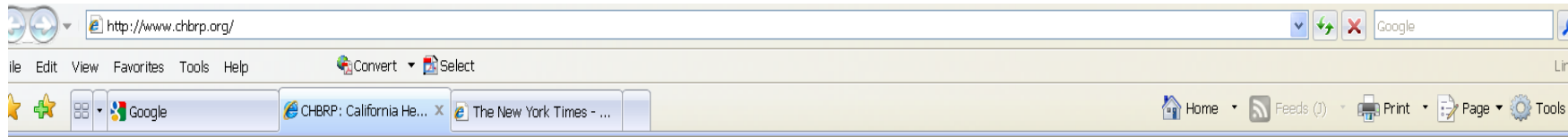
- Identify subject markets
    - Group/Individual
  - Identify exemptions
    - Medicaid, SCHIP
  - Use Content Experts to identify most relevant
    - conditions/diseases,
    - treatments/services,
    - health outcomes
  - Estimate prevalence
- Review evidence of medical effectiveness
    - impact of treatments on health outcomes
  - Estimate impacts on
    - Benefit Coverage
    - Utilization
    - Aggregate Cost
      - premiums
      - enrollee expenses
    - Public Health
      - Morbidity, mortality, & health disparities
      - person-level financial burden



# CHBRP Reports

- Acupuncture
- Alzheimer's disease drugs
- Asthma management
- Autism treatments
- Breast cancer screening
- Chiropractic care
- Hearing aids for children
- High deductible health plans
- HPV screening and vaccine
- Inborn errors of metabolism treatment
- Lactation consultation
- Lymphedema treatments
- Mastectomies and lymph node dissection
- Maternity services
- Mental health services
- Orthotic and prosthetic devices
- Osteoporosis screening
- Ovarian cancer screening
- Propofol for colonoscopies
- Rheumatic disease drugs
- Substance disorder services
- Tobacco cessation services
- Transplant services for persons with HIV
- Vision services
- Waiver of mandates





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## What's New

CHBRP has received new requests for bill analysis.

**COMING SOON** - CHBRP's Briefing: Health Insurance Benefits Mandate/Repeal Bills

Room 2040, State Capitol, Sacramento

Thursday, January 20th, 2011

10:00AM-12:00PM

Legislators, staff, advocates and the public are invited.

[Download Flyer](#)

[Register Now](#)

A new Issue Brief is now available: [California's State Benefit Mandates and the Affordable Care Act's "Essential Health Benefits" \(pdf\)](#)

### About CHBRP

Established in 2002 to implement the provisions of its authorizing statute, the California Health Benefits Review Program (CHBRP) responds to requests from the [State Legislature](#) to provide independent analysis of the medical, financial, and public health impacts of proposed health insurance benefit mandates and repeals. A small analytic staff in the University of California's Office of the President works with a task force of faculty from several campuses of the University of California, Loma Linda University, University of Southern California, and Stanford University as well as actuarial consultants to complete each analysis during a 60-day period, usually before the Legislature begins formal consideration of a mandate bill. A strict conflict of interest policy ensures that the analyses are undertaken without financial or other interests that could bias the results. A National Advisory Council, made up of experts from outside the state of California and designed to provide balanced representation among groups with an interest in health insurance benefit mandates, reviews draft studies to assure their quality before they are transmitted to the Legislature. Each report summarizes sound scientific evidence relevant to the proposed mandate but does not make recommendations, deferring policy decision-making to the Legislature. The State funds this work through a small annual assessment of health plans and insurers in California.

This Web site provides full access to all CHBRP analyses and the legislation they examine. It also announces new requests from the Legislature and provides instructions about how interested parties can submit evidence they believe CHBRP should consider in its analyses, and other resources that describe how CHBRP does its work.



# EHBs & Mandates

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**Above?**

TYPE 3  
acupuncturists

**Not Interactive?**

TYPE 4  
cost-sharing  
parity, oral &  
intravenous  
chemotherapy

**State's EHB**  
**“benefit floor”**

**Unclear?**

TYPE 2  
applied  
behavioral  
analysis  
(ABA)

**Within?**

TYPE 1  
breast  
cancer



# EHBs & Mandates

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Need clarification:

- How will EHBs be defined?
- What is a state's EHB Floor?
- How will state liability for mandates above the EHB floor be calculated?



# EHBs & Mandates

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Need review:

## ➤ Each state-level mandate

- Any interaction with EHBs?
- Consider
  - Evidence of medical effectiveness (treatment impact on health outcomes)?
  - Impacts on benefit coverage, utilization, premiums, enrollee expenses, morbidity, mortality, disparities, and/or person-level financial burden?
  - State liability and/or other impacts on state budget?



# Mandate Review

## Type 1: Acupuncturists – AB 72 (2011)

- Identify subject markets
  - Group Only (not Individual)
- Identify exemptions
  - Medicaid / S-CHIP
- Use Content Experts to identify most relevant
  - Disorders: Low Back Pain / Neck Pain
  - Treatments: Needle Acupuncture
  - health outcomes: Reduced Pain
- Estimate prevalence
  - US DHHS data was used to develop estimates for each condition



# Mandate Review

## Type 3: Acupuncturists – AB 72 (2011)

- Review evidence of medical effectiveness
  - impact of treatments on health outcomes
    - “preponderance” reduced back pain
    - “insufficient” reduced neck pain
- Estimate impacts on
  - Benefit Coverage: +13% (enrollees)
  - Utilization: no measurable change, users / use
  - Aggregate Cost
    - Premiums: employers & enrollees +0.06% & +0.08%  
individual purchasers +0 / Medicaid +0 / S-CHIP +0
    - enrollee expenses: cost-sharing +0.26% / expenses for non-covered benefits -100%
  - Public Health
    - Morbidity, mortality, disparities: no measurable short-term impact
    - person level financial burden: decreased





# Mandate Review

## Type 3: Applied Behavioral Analysis – SB TBD 1 (2011)

- Identify subject markets
  - Group/Individual
- Identify exemptions
  - Health Insurance purchased for Medicaid beneficiaries
- Use Content Experts to identify most relevant
  - Disorders: Autistic / Pervasive Developmental / Asperger's / Childhood Disintegrative / Rett's
  - Treatments: Applied Behavioral Analysis (ABA)
  - health outcomes: ABA - adaptive behavior / IQ / language / academic placement
- Estimate prevalence
  - CaDDS data was used to develop age-specific-cohort estimates for each condition



# Mandate Review

## Type 3: Applied Behavioral Analysis – SB TBD 1 (2011)

- Review evidence of medical effectiveness
  - impact of treatments on health outcomes
    - “preponderance” improves adaptive behavior / IQ
    - “ambiguous ” improves language / academic placement
- Estimate impacts on
  - Benefit Coverage: +80% (enrollees)
  - Utilization: +400 users / +use for 8,300 current users
  - Aggregate Cost
    - Premiums : employers & enrollees +0.24% & +0.27%  
individual purchasers +0.14% / Medicaid +0 / S-CHIP  
+3.54%
    - enrollee expenses: cost-sharing +0.23% / expenses for  
non-covered benefits -44.67%
  - Public Health
    - Morbidity, mortality, disparities: unknown impact
    - person level financial burden: decreased



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