Template B4 – Selection of Benchmark Benefit Package or Benchmark-Equivalent Benefit Package and Cost Sharing

Statute: 1937(b)
Regulation: 42 CFR 440.325, 440.330 and 440.335, 45 CFR 156.100(a)

INTRODUCTION

This template is used to select the Alternative Benefit Plan's Section 1937 Coverage Option and its Base Benchmark Plan that are used to establish the benefit package provided through the Alternative Benefit Plan. In addition, in this template the State indicates if it will require cost-sharing for the Alternative Benefit Plan and, if so, whether or not the cost-sharing is the same as in the Medicaid State plan for the standard benefit package.

BACKGROUND

Under Section 1937 of the Act the State has the option of selecting its 1937 Coverage Option from two basic types of Alternative Benefit Plan Benefit Packages: "Benchmark" or "Benchmark-Equivalent". Benchmark Benefit Packages are those in which the benefits are at least equal to one of four statutorily specified benchmark plans. Benchmark-Equivalent means that the benefits include certain specified services, and the overall benefits are at least actuarially equivalent to one of the four statutorily specified Benchmark Benefit Packages. The State indicates in this template which benchmark plan it will use to establish the benefit package for the Alternative Benefit Plan or which of the four statutorily designated plans will be used to determine the actuarial equivalency of the benefits provided in a Benchmark-Equivalent Alternative Benefit Package.

The second step is for a state to determine the benefit package that will define the provision of Essential Health Benefits required by section 1302(b) of the Affordable Care Act. Options for this benefit package will be described in forthcoming regulations at 45 CFR 156.100(a) as the list of base benchmark plans for the individual and small group market to be offered through the State health care exchange. The benefit package selected to define the provision of the State's Essential Health Benefits in the individual and small group market need not be the same as the one selected to define Essential Health Benefits for Medicaid. States are allowed to select more than one benefit package to define Essential Health Benefits for Medicaid, in keeping with states' ability to implement more than one 1937 coverage option for targeted populations. It should be noted that this second step is only necessary when the 1937 coverage option selected by the State is not the same as the Base Benchmark Plan selected by the state. A 1937 coverage option that also appears on the list of base benchmark plans may be used to define Essential Health Benefits.

Based on the 1937 Coverage Option selected the State will be presented with subsequent templates to provide the details of the benefits that will be included in the Alternative Benefit Plan's benefit package. The benefits provided under 1937 Coverage Option

Benchmark Benefit Packages and the Base Benchmark Plan (if different) are recorded in administrative templates that are updated to reflect changes in the commercial plans without requiring an official State Plan Amendment (SPA) submission. These benefits are then displayed in a table under the option selected. Supplemental benefits may then be added on the administrative template to assure that the benefit package covers all Essential Health Benefits. Finally the State may add additional benefits from the Medicaid State plan or another Section 1937 Benchmark Benefit Package. The Benefit Package as a whole must be appropriate to meet the needs of the population that it covers.

Finally, the State will use this template to indicate if the Alternative Benefit Plan includes cost-sharing requirements and, if so, if the requirements are the same as or different from those in the Medicaid State plan for the standard State plan benefit package.

TECHNICAL GUIDANCE

Adding a New Alternative Benefit Plan Benefit Package

First, the State must name its Alternative Benefit Plan Benefit Package in the text box provided.

Next, the State must select its 1937 Coverage Option by indicating whether it is providing its Alternative Benefit Plan's Benefit Package as a Benchmark Benefit Package or a Benchmark-Equivalent Benefit Package. The State may only select one of these options.

Selection of Benchmark Benefit Package

If the Benchmark Benefit Package option is selected the State is presented with the four statutorily-defined options for further selection:

- The Standard Blue Cross/Blue Shield Preferred Provider Option offered through the Federal Employee Health Benefit program (FEHBP)
- State employee coverage that is offered and generally available to State employees (State Employee Coverage)
- A commercial HMO with the largest insured commercial, non-Medicaid enrollment in the State (Commercial HMO)
- Secretary Approved Coverage

Choose the option the State will use for this Alternative Benefit Plan. If the State employee or Commercial HMO option is chosen the State must record the name of the benefit plan in the text box provided. The State may only select one of these options.

Selection of Benchmark-Equivalent Option

If the Benchmark-Equivalent Benefit Package is chosen the State must identify the Benchmark Plan that will be used to establish actuarial equivalency. The first three

options are the same as the Benchmark Plan Benefit Package options. The fourth option is the Medicaid State plan coverage for the full benefit Categorically Needy (Mandatory and Options for Coverage) eligibility groups, which usually forms the basis for any Secretary-approved coverage.

Again, based on the selections made in this template, the State will be presented with the corresponding subsequent template based on the selection it makes.

Selection of Base Benchmark Plan

Next the State indicates the Base Benchmark Plan for establishing the Essential Health Benefits in the Alternative Benefits Plan.

The first question is whether or not the Base Benchmark Plan is the same as the Benchmark Benefit Package option or the option that forms the basis for the Benchmark-Equivalent plan. This is only possible for the first three options. If the State indicates that it is the same no further selections are required.

Note: The commercial HMO with the largest insured commercial, non-Medicaid enrollment in the State is the only choice that is always the same for both the Benchmark Benefit Package and the Base Benchmark Plan option. The 1937 Coverage Options for the Federal Employees Health Benefits Plan (FEHBP) and the State Employees Coverage may or may not be the same as the Base Benchmark Plan options that are similar.

Although initially the Base Benchmark FEHBP options of "any of the largest three national FEHBP plan options open to federal employees in all geographies by enrollment" includes the 1937 Coverage Option "Standard Blue Cross/Blue Shield Preferred Provider Option offered through the Federal Employee Health Benefit program (FEHBP)", this may not always be the case.

Also, it is possible for the State to designate as its 1937 Coverage Option "State employee coverage that is offered and generally available to State Employees" that is not "Any of the largest three state employee health benefit plans by enrollment." The State must not indicate that "The Base Benchmark Plan is the same as the Section 1937 Coverage Option or the plan that is the basis for the Benchmark Equivalent Package" unless it is certain this is the case.

If the Base Benchmark Plan option selected is different from the plan that is the basis for the Section 1937 Coverage Option, select the appropriate plan and provide the name of the plan in the text box provided.

Other Information Related to Selection of the Section 1937 Coverage Option and the Base Benchmark Plan

At its option the State may provide additional information concerning its selection of plan options it has selected.

Alternative Benefit Plan Cost-Sharing

The State must indicate if the Alternative Benefit Plan includes cost-sharing requirements. In no, no further information is required in this section. If yes, choose from the two options presented:

- Cost-Sharing and Premiums are the same as those described in the State plan.
- Cost-Sharing or Premiums are different from those described in the State plan.

If the second option is chosen the State is presented with an assurance that it must affirmatively acknowledge indicating that it has completed and submitted an Attachment 4.18-A preprint describing the Alternative Benefit Plan's cost-sharing requirements.

The State provides this affirmative assurance by checking the box next to the assurance. If the State does not check this box, the system will not accept this template for review and approval

The State should use the normal HCFA-179 manual submission process to submit the 4.18-A attachment until such time as cost-sharing is automated in the MACPro system.

In addition to submitting the State Plan Amendment with the Attachment 4.18-A through the normal process, the State must upload a copy of its cost-sharing submission as a PDF file.

Finally, the State, at its option, may provide additional information concerning the Alternative Benefit Plan's cost-sharing requirements in the text box provided.