Template B6 – Alternative Benefit Plans Benchmark-Equivalent Benefit Package

Statute: 1937(b)(2) and (3)
Regulation: 42 CFR 440.335 and 440.340

INTRODUCTION

In this template States describe the Benchmark-Equivalent Benefit Package they will provide as the Alternative Benefit Plan's Section 1937 Coverage Option.

BACKGROUND

States may elect to provide an Alternative Benefit Plan with Benchmark-Equivalent benefits. In such a plan benefits provided must be at least actuarially equivalent to those provided under the Section 1937 Benchmark benefit package that the State has designated in the B4-Selection of Benchmark Benefit Package or Benchmark-Equivalent Benefit Package and Cost Sharing template.

In this template the State indicates the actuarial value of the selected Benchmark Plan benefit package and the aggregate actuarial value of its Benchmark-Equivalent benefit package. The State then uses the template to upload a comprehensive description of the benefits it will provide in its Benchmark-Equivalent benefit package, including any limitations on amount, duration and scope of each benefit and a detailed actuarial analysis of the cost of the each benefit in the benefit package and the package as a whole. The description must also include a crosswalk of each benefit to the Essential Health Benefit categories or an indication that the Benefit is not an Essential Health Benefit. The State must provide the payment methodology for each benefit provided by either indicating it is the same as that described in its State Plan or by providing the appropriate attachment 4.19.

There are specific requirements concerning the benefits that must be included in a Benchmark-Equivalent benefit package and the package must also comply with the requirements to have Essential Health Benefits in all ten categories based on the Base Benchmark Plan associated with the Benchmark-Equivalent Plan selected in the B4 template and any supplemental benefits the State may add to meet the EHB requirement.

Section 1937(b)(2) requires that Benchmark-Equivalent plans meet three requirements. First the benefit package must include at least the following benefits:

- Inpatient and outpatient hospital services,
- Physicians' surgical and medical services,
- Laboratory and x-ray services,
- Well-baby and well-child care, including age-appropriate immunizations,
- Emergency services,
- Family planning services and supplies,
- Prescription Drugs, and
- Mental health and substance use disorder benefits.

Second, the benefit package must have an aggregate actuarial value that is at least actuarially equivalent to one of the Section 1937 Benchmark benefit packages.

Third, if the Benchmark Plan used for actuarial value comparison purposes includes vision services or hearing services, the coverage for these services must have an actuarial value that is equal to at least 75 percent of the actuarial value of the coverage of that category of services in the comparison benefit package.

Effective January 1, 2014, the Affordable Care Act requires that Benchmark-Equivalent benefit packages include the Essential Health Benefits specified in the Act.

Finally, States must comply with the mental health parity requirements of section 2705(a) of the Public Health Act in establishing financial requirements or treatment limitations applicable to mental health or substance use disorder benefits.

If the State elects to provide an Alternative Benefit Plan that is a Benchmark-Equivalent plan, it must provide information that complies with all of these requirements in the attachment uploaded into this template.

TECHNICAL GUIDANCE

Enter the aggregate actuarial value of the Section 1937 Benchmark benefit package to which the State's Benchmark-Equivalent benefit package is actuarially equivalent.

Enter the aggregate actuarial value of the Benchmark-Equivalent benefit package.

The second value must be equivalent to or more than the second value.

Validation: The State may not submit an Alternative Benefit Plan with a Benchmark-Equivalent benefit package that does not meet this requirement.

The State must upload a chart of all of the benefits included in its Benchmark-Equivalent Benefit Package. For benefits not included in the list of mandatory benefits the State must indicate the source of the benefits (1905(a), the comparison Benchmark Plan, or the Base Benchmark Plan), indicate the Essential Health Benefit category for each benefit or indicate that it is not an Essential Health Benefit, and describe any limitations or authorization requirements associated with the benefits.

The State must provide the payment methodology for each benefit provided by either indicating it is the same as that described in its State Plan or by providing the appropriate attachment 4.19.

The State must upload PDF versions of the actuarial reports establishing the values of the comparison Benchmark plan and the proposed Benchmark-Equivalent Plan. The

actuarial reports must have been prepared in compliance with the assurances described in the B7-Benchmark-Equivalent Assurance template.

Other Information Related to the Benchmark-Equivalent Benefit Package
Finally, the template includes a text box where the State may, at its option, provide additional information about the Secretary Approved Benefit Package.

Review Criteria

The description of the Benchmark-Equivalent Benefit Package should be sufficiently clear, detailed and complete to permit the reviewer to determine that the State's election meets applicable federal statutory, regulatory and policy requirements.

Be sure that the final benefit package has benefits in each of the Essential Health Benefits categories and includes the required benefits indicated above in the Background section of this guide.

The benefits provided under the Alternative Benefit Plan Benchmark-Equivalent benefit package must be appropriate to meet the needs of the Alternative Benefit Plan population. The reviewer must be satisfied that the benefit package meets this requirement. Therefore the State should be careful to assure that the benefits provided are sufficient given the level of need for medical services of the population. The Essential Health Benefits are a minimum requirement and State should review the benefits in each EHB category and consider adding additional benefits if the benefits provided by the commercial plan are not sufficient to meet the needs of the population being covered. It is recommended that the State consider adding in the final narrative text box additional information concerning how it has met this sufficiency test.