



GROUP INSURANCE ANALYSTS, INC.

Essential Health Benefits

The Patient Protection and Affordable Care Act (or health care reform law) includes key provisions that involve “essential health benefits,” including:

- Elimination of lifetime limits on essential health benefits (effective for plan years starting on or after September 23, 2010)
- Restricted annual limits on essential health benefits (effective for plan years starting on or after September 23, 2010)
- Requirement that employers of 50 or more employees provide minimum essential coverage that includes the essential health benefits package (effective in 2014)
- Requirement that qualified health plans offered in exchanges include the essential health benefits package (effective in 2014)

Under the health care reform law the secretary of the U.S. Department of Health and Human Services (HHS) is responsible for defining which services are considered essential health benefits. Several steps will take place before this occurs:

- **Commission a study** – HHS commissioned the Institute of Medicine to conduct a study starting in September 2010. According to a statement on the institute website: “The Institute of Medicine will not define specific service elements of the benefit package. Instead, the Institute of Medicine will review how insurers determine covered benefits and medical necessity and will provide guidance on the policy principles and criteria for the secretary to take into account when examining qualified health plans for appropriate balance among categories of care; the health care needs of diverse segments of the population; and nondiscrimination based on age, disability or expected length of life.”
- **Solicit public comments** – The institute allowed public comment via an online survey through December 6, 2010.
- **Hold Institute of Medicine meetings** – The first Institute of Medicine study committee meeting took place January 12 - January 14, 2011. Presentations, testimony and audio files from public sessions of this meeting are available on the [Institute of Medicine website](#). The second meeting is scheduled for March 2, 2011 - March 3, 2011. At this time it is unknown how many times the institute committee will meet before issuing its study recommendations.
- **Release study** – Public records indicate the study is expected to be delivered by September 2011.
- **Develop regulations** – HHS will use information from the Institute of Medicine study to develop regulations defining essential health benefits.

The Institute of Medicine is conducting a study that will make recommendations on the criteria and methods for determining and updating the essential health benefits package. The study is expected to be complete in September 2011. Once the institute study is complete, HHS will issue regulations defining essential health benefits.

Good faith compliance is required until we receive detailed regulations. For 2010 implementation, we made decisions based on examples HHS has released, as well as our own research of current state and federal mandates. In addition, we continue to provide members with their current benefits and services. Once we get further definition from HHS, we may adjust some of the actions we have taken and guidance we have provided to customers.

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Questions and answers

Q. What services are considered essential health benefits?

We are still awaiting a specific definition. Good faith compliance is required until we receive detailed guidance. Following is a list of services we believe may be defined as essential health benefits and therefore we will remove existing limits on these benefits. Please note that benefits may vary by state based on state law requirements.

- Allergy injections and/or testing
- Ambulance
- Ambulatory surgical services
- Asthma education
- Bariatric surgery
- Cardiac rehab
- Chiropractic manipulation services and/or osteopathic manipulation
- Diabetic supplies and glucometers
- Diagnostic services
- Dialysis and kidney disease treatment
- Durable medical equipment, medical equipment and supplies, oxygen
- Emergency room services
- Enteral formula and modified low protein food products
- Hearing aids
- Home health care
- Hospice
- Infusion therapy, home infusion therapy
- Inpatient or outpatient facility services
- Inpatient rehab/physical therapy
- Maternity
- Mental health/substance abuse inpatient and/or outpatient
- Office visits
- Ostomy supplies
- Outpatient occupational therapy
- Outpatient physical therapy
- Outpatient speech therapy
- Pharmacy and prescription drugs/injections
- Preventive care and preventive screenings
- Prosthetic devices or limbs
- Pulmonary or respiratory rehab/therapy
- Skilled nursing
- Surgical and anesthesia services
- Transplant services
- Treatment of TMJ

Please note that the listed services still may be subject to copays and other cost shares.

Once we get further definition from HHS, we may adjust some of the actions we have taken and guidance we have provided to our customers.

Q. Once HHS defines essential health benefits, could the list change?

Yes. The health care reform law allows HHS to periodically review and update the essential health benefits package. The Institute of Medicine study will offer advice on criteria and a process for doing so.

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