Centers for Medicare and Medicaid Services (CMS) Final Notice of Benefit and Payment Parameters for 2019

On April 9, CMS released the Notice of Benefits and Payment Parameters for 2019. These regulations take effect June 18, 2018. For certain changes to be made, states will need to request approval from CMS. For an overview of changes to state run insurance marketplaces, upcoming deadlines, and what this could mean for state participation, please read the sections below.

Essential Health Benefits (EHB)

Changes selection and determination process for what can be covered in 10 essential health benefits (EHB) packages. States can receive sole power to review plan networks, instead of the 10 categorial options for EHBs that are under the ACA. This will allow states to choose from 50 EHB-benchmark plans that were used for 2017 plans and create their own set of benefits, which can become a state’s EHB-benchmark plan.

Network Adequacy and Qualified Health Plans (QHPs)

States will be allowed to use oversight authority in reviewing network adequacy and eliminate the meaningful difference requirement for qualified health plans (QHPs). CMS will accept submissions for changes to QHPs May 9-June 20, with a deadline for all states to file rates by June 1 for those without an effective rate review program, and by July 25 for all others. CMS will post all proposed rates on Aug. 1.

Advanced Premium Tax Credit (APTC)

Requires stronger checks to verify income for individuals applying for APTC credits. Will also require those enrolled in APTC that fail to file taxes and reconcile past credits to be discontinued from using a state marketplace exchange, even if the exchange does not first notify the tax filer.

Risk Adjustment

Amends Health and Human Services (HHS)-operated risk adjustment data program, with data being recalibrated for the 2019 benefit year to reflect the experiences of individuals and small groups that have enrolled in marketplace plans. States will also be allowed to request a reduction to applicable risk adjustment transfers in the individual, small group or merged market by up to 50 percent beginning in
2020. If a state requests this type of reduction they must provide analysis showing the state-specific rules that warrant such an adjustment and account for the relative risk differences in a state’s market.

**Special Enrollment Periods (SEPs)**

CMS will be aligning enrollment options for all dependents who are new to enrolling in a state exchange through an SEP regardless of the special enrollment event the dependent qualifies under. For those newly becoming a dependent by enrolling through the birth, adoption, foster care placement or court order all alternate coverage start date options are now available under these circumstances. Pregnant women who are receiving health care through the Children’s Health Insurance Program (CHIP) will also be under these options.

**Other Additional Changes**

- Raises the threshold for federal rate reviews of premium increases from 10 percent increase or more to 15 percent.
- Open enrollment for federal health insurance exchange coverage will be from Nov. 1-Dec. 15.
- Marketplace exchanges will be allowed to determine what constitutes a lack of affordable coverage, based on projected income using their lowest cost plan/lowest cost metal plan that is offered through a state exchange if no bronze level plan is available in a state’s service area.
- Allows states to request “reasonable adjustments” to the medical loss ratio (MLR) standard for the individual market. These requests will be approved if the state can prove that a lower MLR would stabilize the individual insurance market.
- Removes regulatory requirements on the small business health option program including eliminating the online enrollment process and allow employers to enroll directly with a marketplace registered agent, broker or issuer beginning on or after Jan. 1, 2018.
- Removes ACA requirements to have two navigator groups per marketplace area and the requirement that one group needs to be local.
- For states participating in a federal exchange marketplace it will now be their responsibility to ensure plans have enough doctors and other health care providers in their plans.
- Insurers will no longer be required to provide a standardized set of benefits.
- In terms of proposed changes to short-term insurance plans, states could now place additional regulations on these types of plans, some states already have enrollment restrictions on these plans.
- Exempts student health insurance coverage from the federal rate review starting in 2019.