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Task Force Meeting – NCSL Legislative Summit, Chicago, IL
The Health Care Law: What's Next?

Monday, August 6, 2012
10:30 am – 1:00 pm

Responses from States and Stakeholders

Cover Page

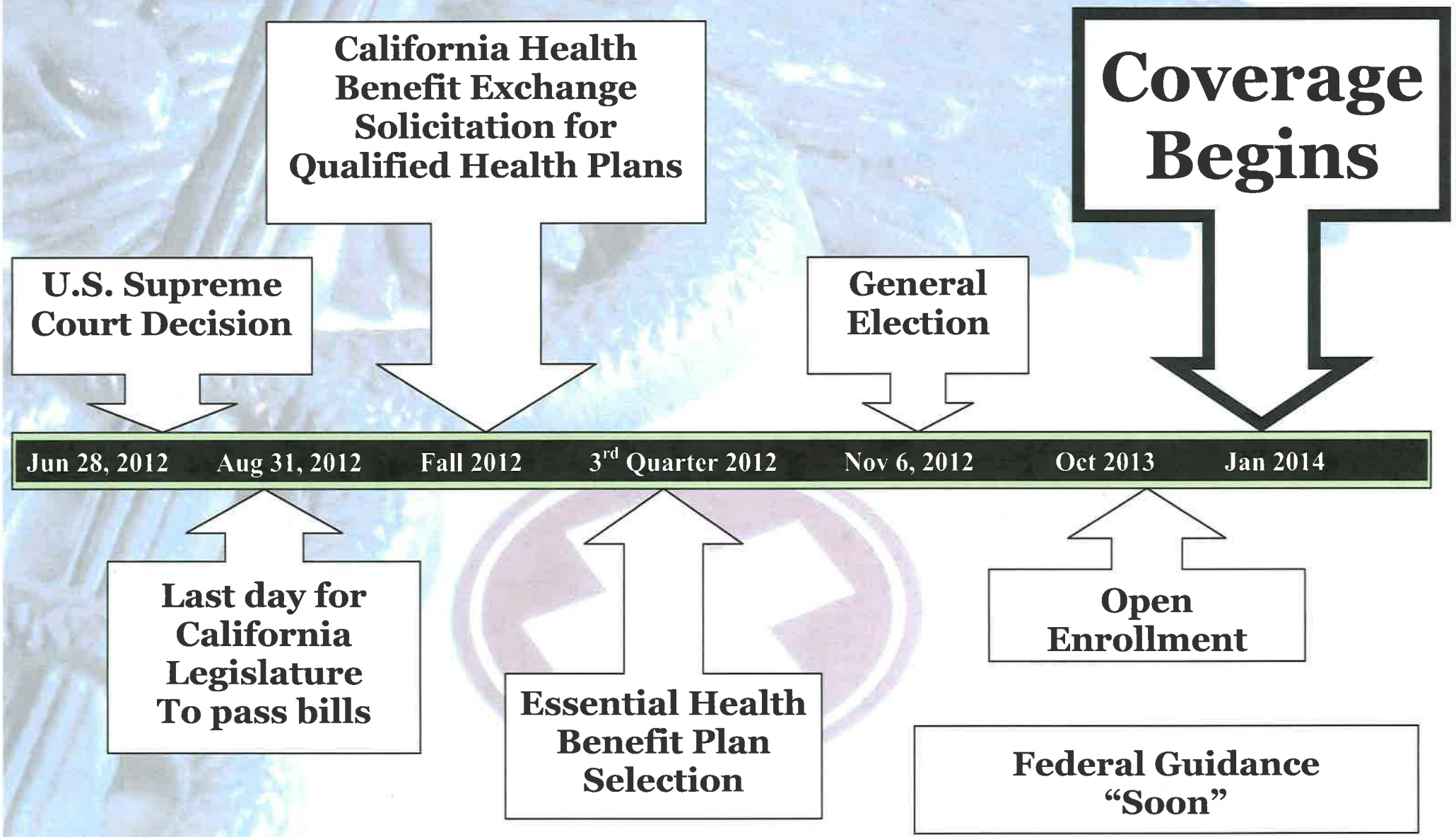
Handouts:

Exhibit 1: ACA Key Milestones

Exhibit 2: Milliman Letter – Plan Benefit Comparison

Exhibit 3: Health Insurance Mandates in California – Table One CHBRP

Patient Protection and Affordable Care Act (ACA)
Key Milestones



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February 13, 2012

David Panush
Director, Government Relations
California Health Benefit Exchange
2535 Capitol Oaks Drive, Suite 120
Sacramento, CA 95833

Re: Summary of services covered by the Essential Health Benefits (EHB) benchmark plans

Dear David:

This letter and corresponding tables are updates to the previous presented at the January 26, 2012 CEBX board meeting.

As requested, we looked at plans representative of the benchmark plans described in the "Essential Health Benefits Bulletin, issued December 16, 2011." The plans we analyzed were:

- GEHA Federal plan
- BCBS Basic Federal plan
- BCBS Standard Federal plan
- CalPERS Blue Shield Basic HMO
- CalPERS Choice
- CalPERS Kaiser HMO
- Small Group Anthem – Solution 2500 PPO (CDI regulated)
- Small Group Kaiser HMO (DMHC regulated)
- Small Group Anthem Blue Cross – PPO30 (DMHC regulated)
- Commercial Large Group Kaiser HMO

Results

We found broad coverage for medical services such as physician, hospital, emergency services, skilled nursing facility, laboratory, durable medical equipment, and routine preventive and wellness care. We also found all plans covered most conditions and illnesses, including maternity and newborn care, and mental health and nervous disorders.

Our summary does not describe all services covered by each plan. For example, we did not include services that are almost universally covered by comprehensive health plans. Instead, we focused on services where we found variations between plans.

The attached Table 1 summarizes our results. We list the health services where we anticipated there may be variation between the plans, and summarize whether the service was covered by each plan. "U" entries indicate we did not have enough information to determine coverage.

We found variation in coverage between the plans that may be due to existing California mandates for the following services: Acupuncture, Infertility Services (Non-ART), Prosthetic Devices for Laryngectomy, and Special Footwear for Persons Suffering from Foot Disfigurement.

Data sources we used include:

1. **GEHA Federal Plan** (received from HBEX, 1-9-2012)
2. **BCBS Federal Plan - Basic** (received from HBEX, 1-9-2012)
3. **BCBS Federal Plan - Standard** (received from HBEX, 1-9-2012)
4. **CalPERS Kaiser HMO** – Kaiser Permanente Basic Plan (received from Kaiser, 1-12-2012)
5. **CalPERS Blue Shield Basic HMO** – Blue Shield Access+ HMO (www.calpers.ca.gov)
6. **CalPERS Anthem Blue Cross PERS Choice PPO** – PERS Choice Basic Plan (www.calpers.ca.gov)
7. **Small Group Anthem Blue Cross PPO** – Anthem Blue Cross Life and Health Small Group Solution 2500 PPO (Z270, 06Z7) (received from Anthem, 1-13-2012)
8. **Small Group Kaiser HMO** – Kaiser Permanente for Small Businesses Evidence of Coverage for Sample Group Agreement Grp Small Nonm – Plan 1637 Plan 30-N; Opt (received from Kaiser, 1-12-2012)
9. **Small Group Anthem Blue Cross PPO30** – Anthem Blue Cross Small Group PPO $30 Copay (received from Anthem, 2-1-2012)
10. **Commercial Large Group Kaiser HMO** – Kaiser Permanente Traditional Plan - (received from Kaiser, 1-12-2012)
11. "Essential Health Benefits Bulletin", Center for Consumer Information and Insurance Oversight, December 16, 2011
12. "Essential Health Benefits: Comparing Benefits in Small Group Products and State and Federal Employee Plans", ASPE Research Brief, December 2011

Additional Comments

This report is not meant to represent a comprehensive list of all services covered, nor to be a substitute for the Evidence of Coverage of each plan.

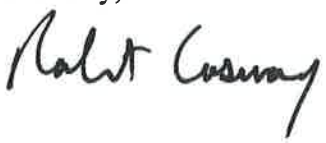
Whether a plan covers a certain service may be influenced by many factors besides the language in the Evidence of Coverage, including the definition and application of medical necessity, evolving clinical practice, agreements between a carrier and its respective regulating agency, and overriding decisions made by the regulating agencies. The focus of this analysis was to identify and compare services described in the Evidence of Coverage documents for the ten benchmark plans. To the extent we were not aware of other factors that may modify the language in the Evidence of Coverage documents, the results of our analysis may likewise by inaccurate or incomplete.

This report was produced for the internal use of the California Health Benefits Exchange. No portion of this report may be provided to any other party without Milliman's prior written consent. In the event this report is provided to other parties, it must be provided in its entirety. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work.

Qualifications

Guidelines issued by the American Academy of Actuaries require actuaries to include their professional qualifications in all actuarial communications. I am a member of the American Academy of Actuaries, and meet the qualification standards for performing the analyses in this report.

Sincerely,



Robert Cosway, FSA, MAAA
Principal and Consulting Actuary

California Health Benefit Exchange: Comparison of Potential Essential Health Benefit Benchmarks

TABLE 1: Services with Coverage or Limit Differences Between Potential California Essential Health Benefit Benchmark Plans

	Federal Plans			California State Employee Plans			Commercial Small Group Plans			Commercial Large Group Plans
	1	2	3	4	5	6	7	8	9	10
	FEHBP - GEHA	FEHBP - BCBS Basic	FEHBP - BCBS Standard	CalPERS Blue Shield Basic HMO	CalPERS - Choice	CalPERS - Kaiser HMO	Small Group - Anthem PPO - CDI	Small Group - Kaiser HMO - DMHC	Small Group - Anthem Blue Cross PPO30 - DMHC	Commercial Large Group - Kaiser HMO - DMHC
Ambulatory Patient Services										
Acupuncture	Y[1]	Y[2]	Y[2]	N	Y[3]	Y	Y	Y[4]	Y[2]	Y[5]
Chiropractic	Y[6]	Y[6]	Y[6]	Y	Y[7]	N	Y	N	Y[8]	N
Assisted Reproductive Technology (ART)	N	N	N	N	N	N	Y	N	Y[9]	N
Infertility Services (Non-ART)	Y[10]	Y	Y	Y	N	Y	Y	N	Y[9]	Y
Hospitalization										
Skilled Nursing Facility	Y[11]	N	N	Y[12]	Y[12]	Y[13]	Y[12]	Y[12]	Y[12]	Y[12]
Hospice Care	Y[14]	Y	Y	Y	Y[15]	Y	Y	Y	Y	Y
Bariatric Surgery	Y[16]	Y	Y	Y	Y	Y	Y	Y	Y	Y
Christian Science	Y[17]	U	U	N	N	N	U	N	U	N
Mental Health and Substance use Disorder Services, including Behavioral Health										
Non-Severe Mental Illness (non-SMI) Services	Y	Y	Y	Y	N	Y	Y[18]	Y	Y[18]	Y
Substance Abuse	Y	Y	Y	Y	Y	Y	Y[18]	Y	Y[18]	Y
Smoking Cessation Counseling	Y[19]	Y	Y	Y	Y[20]	Y	Y	Y	Y	Y
Alcoholism Treatment	Y	Y	Y	Y	Y[21]	Y	Y	Y	Y	Y
ABA Therapy for Autism	N	N	N	Y[49]	N	Y[49]	Y	Y[49]	Y[49]	Y[45]
Prescription Drugs										
Smoking Cessation Drugs	Y	Y	Y	Y	Y[22]	Y	Y[23]	Y	Y[23]	Y
Non Cancer Clinical Trials	Y	Y	Y	U	N	U	N	U	U	U
Pain Medication for Terminally Ill	Y	Y	Y	Y	Y	Y[24]	Y	Y[24]	Y	Y[24]
Rehabilitative and Habilitative Services and Devices										
Rehabilitative	Y	Y	Y	Y	Y[25]	Y	Y	Y	Y	Y
Habilitative[50]	N	N	N	Y[26]	Y[26]	Y[26]	U	Y[26]	U	Y[26]
Physical And Occupational Therapy	Y[27]	Y[28]	Y[29]	Y	Y[30]	Y	Y	Y	Y[31]	Y
Speech Therapy	Y[32]	Y[28]	Y[29]	Y	Y[30]	Y	Y	Y	Y[33]	Y
Orthotics/Prosthetics	Y	Y	Y	Y	Y[34]	Y	Y	Y	Y	Y
Prosthetic Devices for Laryngectomy	U	Y[35]	Y[35]	Y[36]	Y[36]	Y	Y	Y[36]	Y[36]	Y[36]
Special Footwear for Persons Suffering from Foot Disfigurement	N	Y	Y	Y	Y[34]	Y	Y	Y	Y	Y
Hearing Aids	Y[37]	Y[38]	Y[38]	Y[39]	Y[40]	Y[39]	N	N	N	N
Surgically implanted Hearing Devices	Y	Y	Y	Y	Y	Y	N	Y	N	Y
Home Health	Y[41]	Y[42]	Y[42]	Y	Y[43]	Y	Y[44]	Y[45]	Y[46]	Y[46]
Preventive and Wellness Services and Chronic Disease Management										
HIV/AIDS, AIDS Vaccine (When Available)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Osteoporosis	Y[47]	Y[47]	Y[47]	Y	Y	Y	Y	Y	Y	Y
Diabetes Education	Y[48]	Y	Y	Y	Y	Y	Y	Y	Y	Y
Pediatric Services, including Oral and Vision Care										
Pediatric Dental Care[51]	Y	Y	Y	N	N	N	N	N	N	N
Pediatric Vision Care[52]	Y	Y	Y	Y	Y	Y	N	Y	N	Y

Y = Covered N = Not Covered U = Unknown/Not Specified

California Health Benefit Exchange: Comparison of Potential Essential Health Benefit Benchmarks

TABLE 1: Footnotes

[1]	20 visits per year	[27]	60 combined visits with OT
[2]	24 visits per year	[28]	50 visits per year
[3]	15 visits, combined with chiropractic	[29]	75 visits per year
[4]	Part of Pain Management program only	[30]	24 visits per year
[5]	Part of Pain Management / Nausea Treatment only	[31]	24 visits per year combined with ST and Chiro
[6]	12 visits per year	[32]	30 visits per calendar year
[7]	15 visits, combined with acupuncture	[33]	24 visits per year combined with PT, OT, and Chiro
[8]	24 visits per year combined with PT/OT/ST	[34]	1 pair inserts per year. No shoes allowed
[9]	$2,000 Lifetime Limit	[35]	$1,250 annual limit for speech generating devices
[10]	$3,000 per year	[36]	No Coverage for Computerized speech generating devices
[11]	14 days per admit	[37]	Every 5 years
[12]	100 days per year	[38]	$1,250 annual limit for children under age 22, $1,250 limit every 36 months for adults age 22 and older
[13]	100 days per benefit period	[39]	$1,000 every 36 months
[14]	$15,000 maximum limit	[40]	One every 36 months
[15]	Re-Certification required after 90 days	[41]	50 per year. 2 hours per visit
[16]	BMI greater than 40% and 18 years or older with other procedures exhausted	[42]	2 hours per day. 25 days per year
[17]	50 sessions per year	[43]	45 visits per year
[18]	20 Visit Limit / 30 Facility Days per year	[44]	100 Visits of 4 hours
[19]	Two attempts per year, four counseling sessions per attempt	[45]	Two/Four hours per visit, three visits per day, 100 visits per year
[20]	$100 per year	[46]	100 visits per year
[21]	Provide medically necessary treatment to stabilize an acute substance abuse condition	[47]	Only women over 60 who are at an increased risk
[22]	$100 per year and excludes OTC	[48]	$250 per year
[23]	Excludes OTC	[49]	Must be a healthcare service and provided by a licensed provider
[24]	100 days supply	[50]	Under one option in the Bulletin, whichever Benchmark Plan is chosen, habilitative must be covered under same terms as in PT/OT/ST for rehabilitative care.
[25]	Cardiac Rehab limited to 40 visits per year	[51]	Under the Bulletin, If the benchmark plan does not cover Pediatric Dental, then this service must be covered as it is in the CHIP or FEDVIP Dental
[26]	Only to maintain activities of daily living	[52]	Under the Bulletin, If the benchmark plan does not cover Pediatric Vision, then this service must be covered as it is in the FEDVIP Vision Program.

CALIFORNIA
HEALTH BENEFITS REVIEW PROGRAM

Source: California Health Benefits Review Program (CHBRP). (2012). ***Health Insurance Benefit Mandates in California State Law:*** **Oakland, CA.**

Table 1 – California Health Insurance Benefit Mandates [1] (by Topic)

#	Topic	Health and Safety Code (DMHC)	California Insurance Code (CDI)	Benefit Coverage or "Offer"	Markets (regulated by DMHC or CDI) Subject to the Mandate	Mandate Category
DMHC-Regulated Health Care Service Plan "Minimum Benefits"						
0.	Health Plans regulated by the Department of Managed Health Care (DMHC) are required to cover medically necessary basic health care services, including: (1) Physician services; (2) Hospital inpatient services and ambulatory care services; (3) Diagnostic laboratory and diagnostic and therapeutic radiologic services; (4) Home health services; (5) Preventive health services; (6) Emergency health care services, including ambulance and ambulance transport services, out-of-area coverage, and ambulance transport services provided through the 911 emergency response system; (7) Hospice care. See Appendix B for further details.	Multiple Sections – See Appendix B	N/A[2]	Coverage	Group and Individual	*Not a distinct mandate*
Cancer Benefit Mandates						

[1] CHBRP defines health insurance benefit mandates as per its authorizing statute, available at www.chbrp.org/publications.html. This list includes laws that meet that definition and are known to CHBRP.
[2] N/A indicates that mandate does not apply to products governed under that code.

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#	Topic	Health and Safety Code (DMHC)	California Insurance Code (CDI)	Benefit Coverage or "Offer"	Markets (regulated by DMHC or CDI) Subject to the Mandate	Mandate Category
1	Breast cancer testing and treatment	1367.6	10123.8	Coverage	Not Specified[3]	a
2	Cancer screening tests	1367.665	10123.20	Coverage	Group and Individual	b
3	Cervical cancer screening	1367.66	10123.18	Coverage	Group and Individual	a
4	Mammography	1367.65	10123.81	Coverage	Not Specified	a
5	Mastectomy and lymph node dissection – length of stay	1367.635	10123.86	Coverage	Not Specified	d
6	Patient care related to clinical trials for cancer	1370.6	10145.4	Coverage	Not Specified	d
7	Prostate cancer screening	1367.64	10123.835	Coverage	Group and Individual	a
Chronic Conditions Benefit Mandates						
8	Diabetes management and treatment	1367.51	10176.61	Coverage	Not Specified	a
9	HIV/AIDS, AIDS vaccine	1367.45	10145.2	Coverage	Group and Individual (DMHC), Not Specified (CDI)	a
10	HIV/AIDS, HIV Testing	1367.46	10123.91	Coverage	Group and Individual	a
11	HIV/AIDS, Transplantation services for persons with HIV	1374.17	10123.21(a)	Coverage	Not Specified	d
12	Osteoporosis	1367.67	10123.185	Coverage	Not Specified	a
13	Phenylketonuria	1374.56	10123.89	Coverage	Not Specified	a
Hospice & Home Health Care Benefit Mandates						
14	Home health care	N/A	10123.10	Offer	Group (CDI)	b
15	Hospice care	1368.2	N/A	Coverage	Group (DMHC)	b
16	Dementing illness exclusion prohibition	1373.14	10123.16	Coverage	Group and Individual	d
Mental Health Benefit Mandates						
17	Alcohol and drug exclusion prohibition	N/A	10369.12	Coverage	Group (CDI)	d
18	Alcoholism treatment	1367.2(a)	10123.6	Offer	Group	a
19	Coverage and premiums for persons with physical or mental impairment	1367.8	10122.1	Coverage	Group and Individual (DMHC), Group (CDI)	d
20	Coverage for mental and nervous disorders	N/A	10125	Offer	Group (CDI)	a
21	Nicotine or chemical dependency treatment in licensed alcoholism or chemical dependency facilities	1367.2(b)	10123.6	Coverage	Group	b

[3] Not Specified indicates that the language of the law does not specify which market or markets are subject.

#	Topic	Health and Safety Code (DMHC)	California Insurance Code (CDI)	Benefit Coverage or "Offer"	Markets (regulated by DMHC or CDI) Subject to the Mandate	Mandate Category
22	Coverage for severe mental illnesses (in parity with coverage for other medical conditions)[4]	1374.72	10123.15 (10144.5)	Coverage	Not Specified	a
23	Behavioral health treatment for autism and related disorders	1374.73	10144.51 10144.52	Coverage	Not Specified	b
Orthotics & Prosthetics Benefit Mandates						
24	Orthotic and prosthetic devices and services	1367.18	10123.7	Offer	Group	b
25	Prosthetic devices for laryngectomy	1367.61	10123.82	Coverage	Not Specified	b
26	Special footwear for persons suffering from foot disfigurement	1367.19	10123.141	Offer	Group	b
Pain Management Benefit Mandates						
27	Acupuncture	N/A	10127.3	Offer	Group (CDI)	c
28	General anesthesia for dental procedures	1367.71	10119.9	Coverage	Not Specified	b
29	Pain management medication for terminally ill	1367.215	N/A	Coverage	Not Specified (DMHC)	b
Pediatric Care Benefit Mandates						
30	Asthma management	1367.06	N/A	Coverage	Not Specified (DMHC)	a
31	Comprehensive preventive care for children aged 16 years or younger	1367.35	10123.5	Coverage	Group	b
32	Comprehensive preventive care for children aged 17 or 18 years	1367.3	10123.55	Offer	Group	b
33	Coverage for the effects of diethylstilbestrol	1367.9	10119.7	Coverage	Not Specified	a
34	Screening children for blood lead levels	1367.3(b)(2)(d)	10119.8	Offer	Group (DMHC), Group and Individual (CDI)	b
Provider Reimbursement Mandates						
35	Emergency 911 transportation[5]	1371.5	10126.6	Coverage	Not Specified	d
36	Medical transportation services – direct reimbursement	1367.11	10126.6	Coverage	Not Specified	d
37	OB-GYNs as primary care providers[6]	1367.69	10123.83	Coverage	Not Specified	d

[4] In addition to these state-level benefit mandates, the federal Mental Health Parity and Addition Equity Act of 2008 requires that *if* a group plan or policy covers mental health, it must do so at parity with coverage for medical and surgical benefits.

[5] The federal Affordable Care Act (ACA) of 2010 [Section 1001 modifying Section 2719A of the Public Health Services Act (PHSA)] imposes a related requirement regarding coverage and cost-sharing for emergency services. Grandfathered health plans (ACA Section 1251) are not subject to this requirement.

#	Topic	Health and Safety Code (DMHC)	California Insurance Code (CDI)	Benefit Coverage or "Offer"	Markets (regulated by DMHC or CDI) Subject to the Mandate	Mandate Category
38	Pharmacists – compensation for services within their scope of practice	1368.5	N/A	Coverage	Not Specified (DMHC)	c
Reproduction Benefit Mandates						
39	Contraceptive devices requiring a prescription	1367.25	10123.196	Coverage	Group and Individual	b
40	Participation in the statewide prenatal testing Expanded Alpha Feto Protein (AFP) program	1367.54	10123.184	Coverage	Group and Individual	b
41	Infertility treatments	1374.55	10119.6	Offer	Group	a
42	Maternity – minimum length of stay[7]	1367.62	10123.87	Coverage	Not Specified (DMHC), Group and Individual (CDI)	d
43	Maternity – amount of copayment or deductible for inpatient services	1373.4	10119.5	Coverage	Not Specified	d
44	Prenatal diagnosis of genetic disorders	1367.7	10123.9	Offer	Group	b
45	Maternity services	N/A	10123.865 10123.866	Coverage	Group and Individual (CDI)	b
Sterilization						
46	Sterilization rationale exclusion prohibition	1373 (b)	10120	Coverage	Not Specified	d
Surgery Benefit Mandates						
47	Jawbone or associated bone joints	1367.68	10123.21	Coverage	Not Specified (DMHC), Group and Individual (CDI)	a
48	Reconstructive surgery[8]	1367.63	10123.88	Coverage	Not Specified	b
Terms & Conditions of Coverage Benefit Mandates						
49	Authorization for nonformulary prescription drugs	1367.24	N/A	Coverage	Not Specified (DMHC)	d
50	Blindness or partial blindness	1367.4	N/A	Coverage	Group and Individual (DMHC)	d
51	Prescription drugs: coverage for previously prescribed drugs	1367.22	N/A	Coverage	Not Specified (DMHC)	d

[6] The federal Affordable Care Act (ACA) of 2010 (Section 1001 modifying Section 2719A of the PHSA) imposes a similar requirement prohibiting prior authorization for access to OB-GYNs. Grandfathered health plans (ACA Section 1251) are not subject to this requirement.

[7] The federal Newborns' and Mothers' Health Protection Act of 1996 requires coverage for a minimum length of stay in a hospital after delivery *if* the plan covers maternity services.

[8] The federal Women's Health and Cancer Rights Act of 1998 requires coverage for postmastectomy reconstructive surgery.

#	Topic	Health and Safety Code (DMHC)	California Insurance Code (CDI)	Benefit Coverage or "Offer"	Markets (regulated by DMHC or CDI) Subject to the Mandate	Mandate Category
52	Prescription drugs: coverage of "off-label" use	1367.21	10123.195	Coverage	Not Specified (DMHC), Group and Individual (CDI)	d
53	Compliance with federal laws and regulations regarding preventive services coverage without cost sharing	1367.002	10112.2	Coverage	Group and Individual	d