

Supplemental Plans and Additional Benefits

May 14, 2012

Should COHBE provide for consumers and employers the option to select and compare?

- 1. Supplemental plan types?**
- 2. Additional benefit types?**

Goals/Objectives of COHBE:

- Fulfill the mission outlined in SB-200 to provide access, affordability and choice to Coloradans
- Level the playing field between the outside market and COHBE
- Maintain the competitive nature of the Exchange
- Meet the Exchange implementation timeline

Background:

The core of the question centers on whether or not the Exchange will allow consumers to select supplemental plans and additional benefits in addition to what is offered in the QHP. Or to say it another way, should consumers have the ability to “configure/customize” plan choices over and above their selected QHP?

Supplemental plans are intended to cover the gaps or provide additional coverage in areas not included in a QHP. Some examples include dental, vision, Health Savings Accounts and life.

Additional benefits might include coverage for things like chiropractic services, massage, acupuncture, etc.

Applicable law:

Colorado

SB11-200

“The intent of the Colorado Health Benefit Exchange is to increase access, affordability, and choice for individuals and small employers purchasing health insurance in Colorado.”

“The Exchange should foster a competitive marketplace for insurance. . .”

Federal

45 CFR Parts 155, 156, and 157 Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers

1311 (d) REQUIREMENTS.—

(2) OFFERING OF COVERAGE.—

(A) IN GENERAL.—An Exchange shall make available qualified health plans to qualified individuals and qualified employers.

(B) LIMITATION.—

(i) IN GENERAL.—An Exchange may not make available any health plan that is not a qualified health plan.

(ii) OFFERING OF STAND-ALONE DENTAL BENEFITS.—

Each Exchange within a State shall allow an issuer of a plan that only provides limited scope dental benefits meeting the requirements of section 9832(c)(2)(A) of the Internal Revenue Code of 1986 to offer the plan through the Exchange (either separately or in conjunction with a qualified health plan) if the plan provides pediatric dental benefits meeting the requirements of section 1302(b)(1)(J)).

(3) RULES RELATING TO ADDITIONAL REQUIRED BENEFITS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), an Exchange may make available a qualified health plan notwithstanding any provision of law that may require benefits other than the essential health benefits specified under section 1302(b).

(B) STATES MAY REQUIRE ADDITIONAL BENEFITS.—

(i) IN GENERAL.—Subject to the requirements of clause (ii), a State may require that a qualified health plan offered in such State offer benefits in addition to the essential health benefits specified under section 1302(b).

(ii) STATE MUST ASSUME COST.— A State shall make payments—

(I) to an individual enrolled in a qualified health plan offered in such State; or

(II) on behalf of an individual described in subclause (I) directly to the qualified health plan in which such individual is enrolled; to defray the cost of any additional benefits described in clause (i).

Considerations:

Advantages to offering supplemental plan types:

- Mirrors market outside the Exchange
- Allows consumers to have more choices to shop based on their needs and priorities
- Increases competition
- Increases transparency of health care options
- Brings value to consumer
- Supplemental plans could be a potential revenue source for COHBE

Disadvantages to offering supplemental plan types:

- Potential to complicate pricing models
- Complicates consumer usability
- Increases implementation risk

Recommendation:

COHBE should create the technology to support the selection and comparison of supplemental plans and additional benefits beginning October 2013. The final scope of plans and benefits to be included will meet applicable certification criteria, be in the best interest of Colorado consumers and be dependent upon cost and implementation risk.

Input from the Board advisory groups and further discussion will be required to identify whether or not plans should be bundled and how they will be priced.