



Display & Pricing of Supplemental Plans

July 23, 2012

How should vision and dental plans be sold on the Exchange in relationship to QHPs?

- 1. Shall carriers be allowed to bundle vision and dental plans into QHPs?**
- 2. Shall dental and vision plans be available in a standalone add-on fashion on the Exchange?**
- 3. Shall there be both options 1 and 2 offered on the Exchange, bundles and standalone add-ons?**

Goals/Objectives of COHBE:

- Fulfill the mission outlined in SB-200 to provide access, affordability and choice to Coloradans
- Provide a user friendly shopping experience to Coloradans
- Maintain the competitive nature of the Exchange
- Meet the Exchange implementation timeline

Background:

The core of the question centers on how the Exchange will sell dental and vision plans in relationship to QHPs. To say it another way, should the Exchange allow all carriers to bundle dental and vision plans into QHPs for an additional cost or should consumers have the ability to “configure / customize” the purchase of dental and vision plans as add-on coverage over and above their selected QHP?

The current marketplace offers multiple solutions. In some cases, dental and / or vision is included in the base plan. In other scenarios, these are offered as incremental coverage with an added monthly expense (example: plans offered through ehealthinsurance.com).

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. . .”

Introduction date: July 9, 2012

Decision date: July 23, 2012

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).

Recommendation:

COHBE recommends the technology solution be built to accommodate the display and pricing of embedded, bundled and stand-alone plans. This flexibility will allow COHBE to have the ability to display and price products in different ways until more guidance is received through the design process or clarification of regulation.