



Insight

Q & A On Essential Health Benefits Leads to More Q's than A's

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Last Thursday, the Department of Health and Human Services (HHS) released a [Question and Answer publication](#) that addresses 22 commonly asked questions about [essential health benefits](#) (EHB) and the Bulletin HHS unveiled in December. Due to the extremely vague nature of the [EHB Bulletin text](#) and the unprecedented release of a first ever “Bulletin,” state legislators, health care providers and policy experts have been asking for clarification. Unfortunately, the Q & A has led to even more questions with its reveal of new requirements states were not prepared for.

The Q & A addresses many aspects of EHB, from what counts as appropriate substitutes for services, to simply clarifying definitions. However, what caught most people off guard and produced panic among state officials was the EHB implementation timeline included in the Q & A. In a surprising move, HHS dictates that states must have their benchmarks selected and plans laid out by the third quarter of 2012. That leaves states with only a few months to gather information on public and private health insurance offerings; bring together the appropriate stakeholders; obtain and incorporate public input; and then choose a single benchmark plan (often with additions and substitutions) that meets federal guidelines for the individual and small group health insurance markets. No wonder people are so panicked and confused.

Creating further confusion, the Q & A presents a definition of “product” that doesn’t necessarily align with the way “product” was used in the Bulletin. Moreover, it leaves the substitution of services within categories fluid in all 50 states. This wide range of services and allowable changes make it almost impossible for HHS to observe compliance. And, without monitoring the various plans, there is no way that HHS will be able to effectively change the EHB requirements every year as they plan to do.

Given the importance of the EHBs for each state to successfully set up and run a health insurance exchange, it is surprising that HHS has done such a poor job in clarifying what states need to do and how HHS will help them. Instead of a clear cut plan with simple guidelines and attainable deadlines, HHS has continually made the EHB process more complicated and costly than necessary.