



Research

Primer: Essential Health Benefits (EHB)

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The Affordable Care Act (ACA) tasked the Department of Health and Human Services (HHS) with creating a comprehensive package of health benefits, known as “essential health benefits” (EHB). Beginning in 2014, all health plans are required to begin offering the EHB package to beneficiaries in the individual and small group markets.

On December 16, 2011, HHS took its first formal step toward offering official guidance on the EHB issue. Traditionally, HHS issues a notice of proposed rulemaking (NPRM), but in this case HHS instead released a first of its kind, pre-rule “bulletin” followed by a Frequently Asked Questions memo. The bulletin outlined how the Secretary intends to approach the formal EHB rulemaking process, and the FAQ memo clarified only a few questions.

Instead of setting a single uniform standard for national health benefits, the Obama Administration has proposed using a state-based benchmark plan approach, which eventually could affect nearly 70 million Americans. The following primer explains how the proposed benchmark approach is supposed to work and the red flags that have been raised since the bulletin’s release.