

Qualified Health Plan Policy Revision: Supplemental and Pediatric Essential Health Benefits: Dental and Vision

SUMMARY

The California Health Benefit Exchange adopted a comprehensive set of Qualified Health Plan (QHP) policy recommendations at its August 23, 2012 board meeting. These recommendations included policies relating to A) supplemental dental and vision benefits, and B) pediatric vision and dental essential health benefits (EHBs).

BACKGROUND

Section 1302 of the Affordable Care Act defines ten broad categories of essential health benefits, which include pediatric oral and vision care. All qualified health plans are required to offer these benefits for products offered to individuals and small employers – both in and out of the exchange. The inclusion of dental and vision benefits for children raises complex issues on how to structure and sell benefits beginning in January 2014 when these provisions take effect.

The Board's adopted policies included: (A) Authorized supplemental dental and vision benefits to be offered in the SHOP, provided through either stand-alone plans or through embedded comprehensive Qualified Health plans; and (B) Authorized pediatric EHB dental coverage to be offered through stand-alone plans.

At its September 18, 2012 meeting, the Board agreed to reconsider the adopted policy regarding dental and vision care to be offered in the Exchange's SHOP and Individual Markets. Based on additional operational information and stakeholder comments, staff is recommending the following revisions on dental and vision care QHP policies.

A) Adult & Family Coverage: Supplemental Benefits In the individual market and SHOP.

Revised Recommendation: Offer Supplemental dental and vision benefits in both the Individual and SHOP Exchanges. The initial recommendation was to provide supplemental benefits (dental and vision) only in the SHOP and consider offering in the individual market segment in the future.

Discussion: On August 23, 2012, the Board adopted a policy to offer supplemental benefits only in the SHOP, as proposed by the Exchange staff. In addition, staff was directed to consider the feasibility of also offering this form of coverage in the individual market as well. After receiving additional information from stakeholders, and reconsideration of the Exchange's operational issues, staff is now confident that supplemental dental and vision benefits can be

provided in both markets. To implement this recommendation, the solicitation for supplemental benefit plans in the SHOP would be leveraged to also include the individual market. This approach would minimize operational costs and complexity for the Exchange. In doing so, the Exchange would be able to offer a more consumer-friendly option, which does not disrupt existing market practices, and positions the Exchange as a comprehensive channel for a variety of health insurance coverage.

B1) Essential Health Benefit - Pediatric Dental: Stand-alone Plans

Prior Recommendation – (No Revision Proposed): Allow bids from stand-alone dental plans that offer pediatric dental EHB coverage in both the Individual Market and SHOP.

Discussion: The Exchange’s previously adopted policy authorized the review of bids from stand-alone dental plans that offered pediatric dental benefits. The Affordable Care Act requires the Exchange to only offer qualified health plans, but there is a specific exception for pediatric dental benefits. However, federal guidance is needed as to how federal premium and cost sharing subsidies would be allocated.

B2) Essential Health Benefit - Pediatric Vision: Stand-alone Plans

Revised Recommendation: Review bids for stand-alone vision plans offering EHB pediatric vision benefits on the same terms as pediatric dental benefits as soon as possible in both the Individual Market and SHOP. Offer these stand-alone vision plans effective January 1, 2014 pending federal guidance and approval.

Staff also recommends that the Board direct the Executive Director to send a letter to CCIIO in support of this policy, and notes that they are working with the Exchange’s technology vendor to plan for the potential inclusion of pediatric vision benefits on the same terms as pediatric dental benefits.

Discussion: To meet the requirement of offering pediatric vision as an essential health benefit, stand-alone vision plans should be considered for several policy reasons: They may increase the likelihood of utilization, and provide greater emphasis on preventive care. Adding an additional choice may also be attractive for consumers who are more accustomed to receiving their vision benefit through a stand-alone plan, and there may be a benefit in allow both children and parents to have access to the same plan. However, federal guidance and direction is needed to determine how federal premium and cost sharing subsidies would be allocated and coordinated for stand-alone vision plans. Federal approval would also help clarify the rules for offering stand-alone vision plans in the Exchange. In anticipation of such rules, the Exchange will work with its technology vendor to plan for the potential inclusion of pediatric vision benefits on the same terms as for pediatric dental benefits.