

Health Reform Bulletin

Week of January 28, 2013

A coalition of business groups, health plans and pharmaceutical companies is calling on the Department of Health and Human Services (HHS) to trim the essential health benefits (EHB) that qualified plans must provide to meet the requirements of the Affordable Care Act (ACA). A final EHB rule is expected from HHS in the next couple of months and many are concerned the minimum level of benefits required will be richer than many health plans sold today, making coverage unaffordable for many individuals and small employers.

Made up of the National Retail Federation, the U.S. Chamber of Commerce and the National Federation of Independent Business, among many others, the [Essential Health Benefits Coalition](#) held a news conference last week to urge that the EHB rules not put the cost of coverage out of reach for many small businesses. The coalition recommends scaling back requirements for pediatric dental and vision care benefits, allowing the use of medical management techniques to ensure covered care is consistent with evidence-based clinical practice guidelines, eliminating a requirement that plans cover one or more prescription drugs in each prescription category, reconsidering the inclusion of state-mandated benefits, and other changes.

Federal

The House overwhelmingly passed a bill last week to temporarily suspend the federal government's debt limit through May 18, 2013. Containing no spending cuts, this legislation is a

short-term solution to buy time as Congress works out a long-term solution for the debt ceiling and other fiscal issues. The bill puts pressure on the Senate to pass a budget, something it hasn't done in several years. Under the legislation, if either chamber fails to pass a budget by April 15 its members will not get paid. Senate Majority Leader Harry Reid said the Senate will pass the House bill without changes. Enactment of the bill would alleviate concerns about the federal government defaulting on its obligations until mid-May. In the intervening months, Congress will engage in a deficit reduction debate that is likely to have significant implications for Medicare, Medicaid, funding for the ACA, and other health policy issues. Over the coming month, the release of the President's fiscal year 2014 budget proposals and the initial drafting of the House and Senate budget resolutions will be important steps in the coming budget debates.

States

ALASKA: The legislature convened its 2013 session last week, but health care is not expected to be a major issue. The governor has chosen to allow the federal government to establish a health insurance exchange for residents. One of the first bills introduced this session was a pharmacy auditing bill that would establish standards for an audit of pharmacy records by insurers, pharmacy benefit managers, and third-party payers. The bill includes: pharmacy notification requirements; timelines and standards for the audit and related appeals processes; a requirement that a pharmacist be used when an

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audit relates to clinical/professional judgment; and parameters for determining over or under payment. The legislature is scheduled to adjourn in mid-April.

CONNECTICUT: The Connecticut Health Insurance Exchange will allow qualified health plans (QHPs) to offer one standard plan and one non-standard plan per metallic tier (platinum, gold, and silver & bronze). The exchange board last week approved the [designs of the standard plans](#) as recommended by the exchange staff. Carriers are invited to apply to become a QHP by submitting an application by March 29, 2013. In addition, the exchange's RFP for administration of the Small Business Health Options Program (SHOP) closed on January 23, 2013. The board noted that three organizations have responded. A final decision is expected within the next 30 days. Finally, Vicki Veltri, the State Healthcare Advocate of the Office of the Health Care Advocate was elected by the exchange board as vice chair of the board.

NEW YORK: Governor Andrew Cuomo introduced a state budget on January 22 that continues to hold the line on spending and tax increases. The budget proposal, which by law must be enacted by April 1, includes a number of changes designed to bring state law into conformance with the ACA in, for example, product design and eligibility and enrollment processes. The budget proposes to transition current enrollees in subsidized programs, such as Family Health Plus and Healthy New York, to the exchange and then terminate those programs. The budget also would bring the current statutory health plan benefit design for individual and small group HMO products into conformance with the ACA's essential health benefit rules. The budget proposal also would transition the state's definitions for "employee" and "small group size" to the ACA definitions by 2016. Separately, the budget proposes a number of Medicaid changes, which would

transition certain special populations from fee for service to Medicaid managed care, and establish the framework for the state's Medicaid dual eligible programs.

WASHINGTON: The legislature is back in session and legislators are expected to face bills related to PBM regulation and audit standards, rate regulation for non-profit health plans that maintain large surpluses, Medicaid reform and expansion, and exchanges and other ACA matters. From a political perspective, the state Senate has formed a unique Majority Coalition Caucus composed of the 23 Republicans and two Democrats who will lead the Senate in 2013. Committee assignments have been shuffled, and leadership on health care matters in the Senate has changed. The House remains under Democrat control. The legislature is expected to meet until the end of April.

Courtesy of Aetna Health Reform Weekly

