Alternative Benefit Plan Process Flows

Overview

- The ACA modifies 1937 Benchmark benefit options by requiring that these options cover the essential health benefits
  - 1937 Benchmarks that include the EHB are called Alternative Benefit Plans
- The Medicaid Expansion population is required to be covered by benchmark or benchmark equivalent coverage
- Other populations may also be enrolled in benchmark coverage, however, some populations must opt into benchmark coverage and may not be mandatorily enrolled
  - Mandatory pregnant women
  - Disabled
  - Medically frail
  - Duals
  - Etc.

Terminology

Alternative Benefit Plan is the new terminology to refer to a 1937 benchmark plan selection that includes the required Essential Health Benefits (EHB)

Benchmark Plan refers to the four 1937 benchmark coverage options:

(1) Standard Blue Cross/Blue Shield PPO offered to federal employees
(2) State Employee coverage generally available to state employees
(3) The commercial HMO with the largest insured commercial, non-Medicaid enrollment in the state
(4) Secretary Approved coverage (may include Medicaid state plan benefit package)

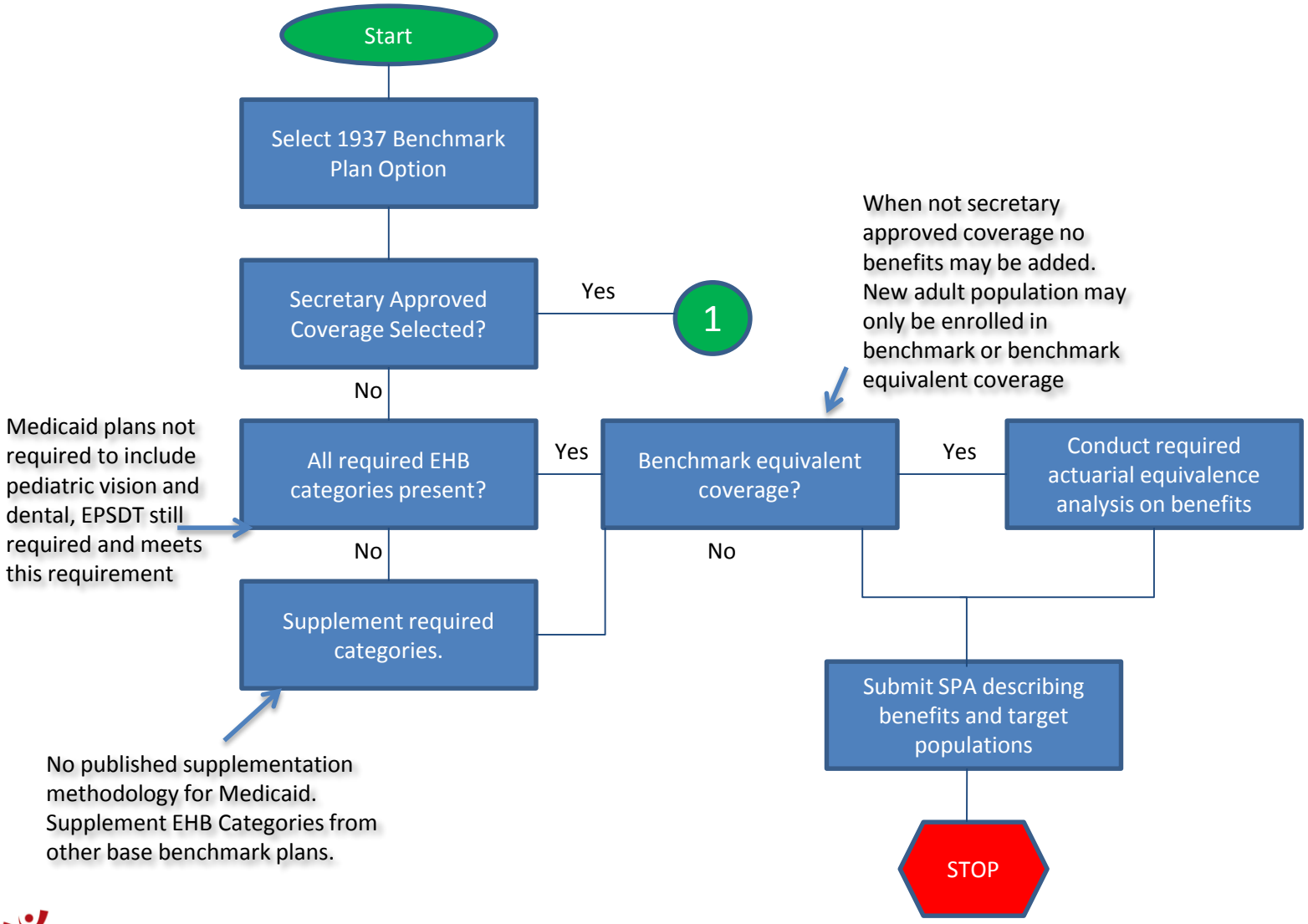
Base Benchmark is defined at 45 CFR 156.20 in reference to the commercial EHB benchmark plan options as one of the:

(1) 3 largest small group plans by enrollment
(2) 3 largest state employee plans by enrollment
(3) 3 largest federal employee plans by enrollment
(4) Largest commercial HMO by enrollment

Benchmark Equivalent Plan refers to a set of benefits that is actuarially equivalent to a 1937 benchmark plan or to a base benchmark plan.

Actuarially equivalent indicates that benefits between two plans are determined to provide equivalent value to an enrollee.

Develop Alternative Benefit Plan Process Flow



Develop Alternative Benefit Plan Process Flow
Secretary Approved Coverage