HHS Final Rule Regarding Standards for Essential Health Benefits, Actuarial Value, and Accreditation

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The U.S. Department of Health and Human Services (?ÃÂ£HHS?ÃÂ¥) recently released a final rule addressing essential health benefits, actuarial value, and accreditation requirements under the Affordable Care Act (the ?ÃÂ£ACA?ÃÂ¥). The ACA requires that, effective for plan years beginning on or after 2014, non-grandfathered health plans offered in the individual and small group insurance markets must cover a core package of items and services, known as ?ÃÂ£essential health benefits?ÃÂ¥ (?ÃÂ£EHBs?ÃÂ¥), within ten prescribed categories, and that EHBs be equal in scope to benefits offered by a ?ÃÂ£typical employer plan.?ÃÂ¥ The final rule defines EHBs based on a state-specific benchmark plan. Each state may select a benchmark plan from among several options or default to a designated benchmark plan. In the event that a benchmark plan is missing any of the ten categories of EHBs, the final rule outlines the method for supplementing the benchmark plan. Appendix A to the final rule lists the applicable benchmark plan by state. EHBs must also meet specific actuarial value standards at four ?ÃÂ£metal levels?ÃÂ¥ under the ACA (or provide catastrophic-only coverage). Actuarial value (or ?ÃÂ£AV?ÃÂ¥) is calculated as the percentage of total average costs for covered benefits that a plan will pay: the ?ÃÂ£bronze?ÃÂ¥ level provides a 60 percent AV; ?ÃÂ£silver?ÃÂ¥ 70 percent, ?ÃÂ£gold?ÃÂ¥ 80 percent; and ?ÃÂ£platinum?ÃÂ¥ 90 percent. The final rule allows a plan to satisfy the particular metal level if it reaches an AV that is within 2 percent of (under or above) the target AV. HHS has also issued a publicly-available AV calculator that can be used to determine AV based on a standard population. Consumer-driven health plans, such as high-deductible health plans with corresponding health savings accounts, are intended to be compatible with the calculator. The final rule also clarifies the application of the ACA?ÃÃs cap on out-of-pocket maximums to both large and small group health plans (including self-funded plans) and the limitation on deductibles to plans and issuers in the small group market only, provides additional guidance on certain prescription drug coverage under that EHB, and addresses certain EHB non-discrimination requirements under the ACA. A link to the final rule and HHS?ÃÃs AV calculator is available **here**.?Ã¡A Fact Sheet issued by HHS, discussing the final rule can be accessed **here**.