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## CORRESPONDENCE MEMORANDUM

**DATE:** May 17, 2013

**TO:** Group Insurance Board

**FROM:** Bill Kox, Deputy Administrator  
Emily Loman, Manager, Alternate Health Plans

**SUBJECT:** Updated Recommendation for Guidelines Relating to Federal Essential Health Benefits

**The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) adopt the recommendation relating to Federal Essential Health Benefits discussed in this memo and grant staff the authority to make additional technical changes as necessary.**

The purpose of this memo is to present an alternative recommendation to the Board concerning coverage of Essential Health Benefits under federal law.

### Background

To comply with federal requirements, the Guidelines memo (Section 1, pages 3-4) recommends removing dollar limits on the benefits for hearing aids, Temporomandibular Joint Disorders (TMJ), dental implants, and pediatric dental services and implementing actuarially equivalent substitutes where available.

Subsequent to the publication of the Guidelines memo, ETF learned that Health and Human Services (HHS) intends to provide flexibility to large-group health plans to adjust benefits that qualify as Essential Health Benefits (EHB). HHS states that the purpose of permitting such flexibility is to “provide greater choice to consumers, promoting plan innovation through coverage and design options, while ensuring that plans providing EHB offer a certain level of benefits.”

Since Wisconsin’s benchmark plan covers all of the benefits listed above, if the Board were to follow Wisconsin’s benchmark plan, our program would be required to remove dollar limits on EHBs, thus altering benefits. The Center for Consumer Information and Insurance Oversight (CCIIO) recently confirmed that the Board may adopt another

Reviewed and approved by Lisa Ellinger, Administrator, Division of Insurance Services.

Electronically Signed 5/20/13

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state's benchmark plan that would not require the removal of dollar limits on EHBs. ETF has identified nine states (AL, AK, CA, FL, GA, ID, MA, PA, SC) that do not cover these benefits with the exception of pediatric dental services. All 50 states require coverage of pediatric dental services. State benchmark plans as they are written today will remain the same for 2014 and 2015. Benchmark plans will be reexamined and potentially revised for 2016.

### **Recommendation**

ETF recommends that the Board adopt a different state's benchmark plan in order to maintain current benefits for hearing aids, TMJ, and dental implants. ETF believes that the current benefits are comparatively generous despite the dollar limits and that they provide innovative plan choice for consumers as contemplated by HHS. Maintaining the status quo with regards to these benefits will also be less confusing for our members. ETF will proceed with this revised benchmark plan provided that no other unintended consequences are determined.

Staff will be at the Board meeting to answer any questions.