

ABP9 – Employer Sponsored Insurance and Payment of Premiums

Statute: 1906

Regulation: 42 CFR 440.350, 42 CFR 440.355, 42 CFR 435.1015

INTRODUCTION

States and territories may provide for Alternative Benefit Plan (ABP) coverage in whole or in part by paying for employer sponsored health plans, for individuals with access to such employer sponsored private health insurance, or by purchasing other commercial insurance coverage directly. In this fillable PDF (state plan page)), the state/territory indicates if it elects these options and, if so, provides additional information and assurances concerning such arrangements.

BACKGROUND

42 CFR 440.350 provides the option for states and territories to obtain employer sponsored insurance to provide all or part of its ABP coverage. 42 CFR 440.355 permits the payment of premiums by the state/territory to obtain ABP coverage on behalf of beneficiaries. These employer sponsored plans or other purchased commercial plans, either alone or in combination with additional benefit coverage provided directly, must meet the ABP requirements. This includes selection of a section 1937 coverage option benchmark plan or benchmark-equivalent plan as required by 42 CFR 440.325, 440.330 and/or 440.335, the Essential Health Benefit requirements at 42 CFR 440.347, and the economy and efficiency requirement at 42 CFR 440.370. A state/territory may propose to provide the coverage through payment of the participant's premium for the employer sponsored plan or premium payments for another commercial health plan, and payment of any cost sharing that would not otherwise be permissible under Medicaid.

As required by 42 CFR 435.1015, employer sponsored insurance or assistance with premiums arrangements authorized under section 1937 can only be designated for voluntary participation by the beneficiary. A section 1115 demonstration authority is required if the state wants to pursue mandatory enrollment of beneficiaries.

TECHNICAL GUIDANCE

Employer Sponsored Health Insurance

- Indicate, *Yes* or *No*, if the state/territory is electing to provide ABP coverage in whole or in part through the payment of premiums for available employer-sponsored coverage.

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- If **Yes**, the state/territory must provide a thorough description of the employer sponsored insurance premium assistance program in the first text box, addressing all of the items specified in the state plan page, including:
 - Any additional definition of the population to be included in employer sponsored coverage;
 - The amount of the premium assistance by population;
 - Employer sponsored insurance activities including any required employer contribution;
 - A clear description of any cost-effectiveness test that will be used;
 - Benefit information concerning requirements for payment of employer-sponsored insurance premiums; and
 - Any additional benefits that will be provided to supplement employer-sponsored insurance.
- Indicate, **Yes** or **No**, if the state/territory is electing to provide ABP coverage in whole or in part through the payment of premiums for other commercial health plan coverage.
- If **Yes**, the state/territory must provide a thorough description of the premium assistance program in the first text box, addressing all of the items specified in the state plan page, including:
 - the population covered, in particular if the payment of premiums will not apply to the entire ABP population;
 - the amount of premium assistance by population;
 - required contributions;
 - cost-effectiveness test requirements; and
 - benefits information.

Review Criteria

The state/territory must indicate, Yes or No, if it will include employer sponsored insurance or other commercial insurance premium assistance as its ABP. If Yes to either or both, it must provide the information indicated concerning these premium assistance programs in the text boxes indicated. If the state/territory does not indicate whether or not it is electing a premium assistance program, or if it answers Yes but does not provide a complete description of the program, the SPA cannot be approved.

Finally, the state/territory must provide additional information in the text box concerning its employer-sponsored insurance or other premium assistance ABP coverage, so that CMS will thoroughly understand the program the state/territory is proposing. If section 1115 demonstration authority is being used, please indicate that here.