

ABP6 – Benchmark Equivalent Benefit Package

Statute: 1937(b)(2) and (3)

Regulation: 42 CFR 440.335, 440.340, 440.345

INTRODUCTION

In this fillable PDF (state plan page) the state/territory will describe the benchmark-equivalent benefit package it will provide as the Alternative Benefit Plan's (ABP) section 1937 coverage option. In addition, states and territories will provide certain assurances related to their benchmark-equivalent benefit package. It also captures information concerning whether the comparison benchmark plan used to calculate equivalency includes vision and/or hearing services, and if so, presents additional assurances concerning required coverage of these services in the benchmark-equivalent benefit package.

BACKGROUND

States/territories may elect to provide an ABP with benchmark-equivalent benefits. The benefits provided must be *at least* actuarially equivalent to those provided under the benefit package for the section 1937 coverage option that the state/territory has designated in the **ABP3 - Selection of Benchmark or Benchmark-Equivalent Benefit Package** state plan page.

In this state plan page, the state/territory indicates the actuarial value of the selected comparison benchmark plan benefit package and the aggregate actuarial value of its benchmark-equivalent benefit package. The state/territory must attach to the State Plan Amendment (SPA) submission a comprehensive description of the benefits it will provide in its benchmark-equivalent benefit package and a detailed actuarial analysis including the cost of the each benefit in the benefit package and the package as a whole. The description must also include a crosswalk of each benefit to the Essential Health Benefit (EHB) categories or an indication that the benefit is not an EHB.

There are specific requirements concerning the benefits that must be included in a benchmark-equivalent benefit package, and the package must also comply with the requirements to have EHBs in all ten categories based on the base benchmark plan associated with the benchmark-equivalent plan that was selected on the **ABP3 - Selection of Benchmark or Benchmark-Equivalent Benefit Package** state plan page.

Section 1937(b)(2) of the Social Security Act (hereafter referred to as “the Act”) requires that benchmark-equivalent plans meet the following requirements and at a minimum include, the following benefits:

- Inpatient and outpatient hospital services,
- Physicians' surgical and medical services,

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- Laboratory and x-ray services,
- Well-baby and well-child care, including age-appropriate immunizations,
- Emergency services,
- Family planning services and supplies,
- Prescription Drugs,
- Mental health and substance use disorder benefits, and
- Other appropriate preventive services designated by the Secretary.

In addition, the benefit package must have an aggregate actuarial value that is at least actuarially equivalent to one of the section 1937 coverage option benchmark benefit packages.

Furthermore, if the benchmark benefit package used for actuarial value comparison purposes includes vision services and/or hearing services, the coverage for these services in the benchmark equivalent benefit package must have an actuarial value that is equal to at least 75 percent of the actuarial value of the coverage of that category of services in the selected benchmark benefit package.

Effective January 1, 2014, benchmark-equivalent benefit packages must include the EHBs specified in the Affordable Care Act.

Finally, states/territories must comply with the Mental Health Parity and Addiction Equity Act (MHPAEA) requirements of section 2705(a) of the Public Health Act in establishing financial requirements or treatment limitations applicable to mental health or substance use disorder benefits.

If the state/territory elects to provide an ABP that is a benchmark-equivalent plan, it must provide information that complies with all of these requirements in this state plan page.

The second section of the state plan page includes a number of assurances regarding the process for establishing the actuarial value of the benchmark-equivalent benefit package and the benchmark benefit package to which it is at least actuarially equivalent. Section 1937(b)(2)(B) of the Act requires that any proposed benchmark-equivalent package be at least actuarially equivalent to a comparison benchmark plan. Section 1937(b)(3) of the Act and 42 CFR 440.340 prescribe the requirements for the actuarial report supporting the benchmark-equivalent benefit package submission. In this section of the state plan page the state/territory will provide the assurances that it has complied with all of these requirements in the preparation of this actuarial report.

It also includes assurances that the benchmark-equivalent benefits meet the 75% actuarial value test for vision or hearing benefits included in the benchmark benefit package that is the basis for actuarial equivalency, if this benchmark plan includes vision or hearing benefits. The final

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assurance that the state/territory must include in the actuarial report is a description of the benchmark plan benefits and their actuarial value as a percentage of the actuarial value of the benefits included in the benchmark-equivalent plan.

TECHNICAL GUIDANCE

Description of Benefits

- Enter the aggregate actuarial value of the benchmark plan to which the state/territory's benchmark-equivalent benefit package is at least actuarially equivalent.
- Enter the aggregate actuarial value of the benchmark-equivalent benefit package.

Note: The second value must be equivalent to or more than the first value.

Review Criteria

The second value must be equivalent to or more than the first value. The state/territory may not submit an Alternative Benefit Plan with a benchmark-equivalent benefit package that does not meet this requirement. If this requirement is not met, the SPA cannot be approved.

The state/territory must upload with the ABP state plan submission a chart of all of the benefits included in its benchmark-equivalent benefit package and indicate they have done so by selecting the assurance. For benefits not included in the list of mandatory benefits described in section 1937(b)(2), the state/territory must indicate the source of the benefits from one of the following:

- Section 1905(a) of the Act;
- Section 1915(i) of the Act, Home and Community-Based State Plan Services;
- Section 1915(j) of the Act, Self-Directed Personal Attendant Services;
- Section 1915(k) of the Act, Community First Choice Services or Supports;
- Any other Medicaid state plan benefit enacted under Title XIX;
- The comparison Benchmark Plan, or other 1937 option benchmark plans; and/or
- Any 45 CFR 156.100 base benchmark plan.

The state/territory must indicate the EHB category for each benefit or indicate that it is not an EHB, and describe any limitations or authorization requirements associated with the benefit(s). The state/territory must also include in the attachment the payment methodology associated with each benefit.

The state/territory must attach to the SPA submission copies of the actuarial reports establishing the values of the comparison benchmark plan and the proposed benchmark-equivalent plan. The actuarial reports must have been prepared in compliance with the assurances described in the

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Benchmark-Equivalent Benefit Package Assurances section of the state plan page (described below).

Other Information Related to the Benchmark-Equivalent Benefit Package

Finally, the state plan page includes a text box where the state/territory may, at its option, provide additional information about the Benchmark Equivalent Benefit Package.

Review Criteria

The description of the benchmark-equivalent benefit package should be sufficiently clear, detailed, and complete to permit CMS to determine that the state/territory's election meets applicable federal statutory, regulatory and policy requirements.

Be sure that the final benefit package has benefits in each of the Essential Health Benefits categories and includes the required benefits indicated above in the Background section of this guide.

Benchmark-Equivalent Benefit Package Assurances

Affirmatively respond by checking each of the assurances included in the state plan page. These specify the requirements that the state/territory must adhere to in preparing its actuarial report to support a finding of actuarial equivalency for the benchmark-equivalent benefit package and the benchmark plan that actuarial equivalency is based on.

The state/territory must provide these affirmative assurances by checking the box next to each of the assurances.

Review Criteria

The state/territory must check the box next to each of the assurances regarding the requirements to establish the actuarial equivalency of the Benchmark-Equivalent benefit package. If the state/territory fails to check each of these assurances, the SPA cannot be approved.

Next, select the assurances providing that the state/territory will include the mandatory services prescribed by section 1937(b)(2)(A) of the Act in its benchmark-equivalent benefit package and the state/territory has included a description of the benefits included and the actuarial value of the category as a percentage of the actuarial value of the coverage for the benefits included in the benchmark-equivalent benefit package.

The state/territory provides these affirmative assurances by checking the box next to the assurance.

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Review Criteria

The state/territory must check the box next to each of the assurances indicating it provides all of the mandatory benchmark-equivalent benefit package categories of service and has provided a description of the benefits included and the actuarial value of the category as a percentage of the actuarial value of the coverage for the benefits included in the benchmark-equivalent benefit package. If the state/territory does not check both of these assurances, the SPA cannot be approved.

Next, respond to the statements concerning coverage of vision and hearing services by the Benchmark Plan used to calculate actuarial equivalency.

- Indicate, ***Yes*** or ***No***, whether or not the section 1937 coverage option benchmark benefit package that actuarial equivalence is based on includes vision services.
 - If ***Yes***, the state/territory must affirmatively respond to the assurance that the value of the coverage for vision services in the benchmark-equivalent package is at least 75% of the value of the same coverage provided in the comparison Benchmark Plan.

The state/territory provides this affirmative assurance by checking the box next to the assurance.

Review Criteria

The state/territory must indicate, Yes or No, whether or not the Benchmark benefit package that actuarial equivalence is based on includes vision services. If the state/territory does not indicate Yes or No, the SPA cannot be approved. If Yes, the state/territory must affirmatively respond to the assurance by checking the box to indicate that coverage for vision services in the benchmark-equivalent benefit package is at least 75% of the value of the same coverage provided in the comparison benchmark plan. If the state/territory does not affirmatively respond to the assurance, the SPA cannot be approved.

- Indicate yes or no, if the benchmark benefit package that actuarial equivalence is based on includes hearing services.
 - If yes, affirmatively respond to the assurance that the value of the coverage for hearing services in the benchmark-equivalent benefit package is at least 75% of the value of the same coverage provided in the comparison benchmark plan.

The state/territory provides this affirmative assurance by checking the box next to the assurance.

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Review Criteria

The state/territory must select Yes or No to indicate whether or not the benchmark benefit package that actuarial equivalence is based on includes hearing services. If the state/territory does not indicate Yes or No, the SPA cannot be approved. If Yes, the state/territory must affirmatively respond to the assurance by checking the box to indicate that coverage for hearing services in the benchmark-equivalent package is at least 75% of the value of the same coverage provided in the comparison benchmark plan. If the state/territory does not affirmatively respond to the assurance the SPA cannot be approved.

Other Information Related to Benchmark-Equivalent Assurances

Finally, the state/territory may provide in the text box provided any additional information it considers important for CMS to consider when reviewing the Assurances section of this state plan page.