

**Insurance Benefit Exchange
Workgroup Reporting Format to the Insurance Benefit Exchange Steering Team**

Workgroup Name:

Focus / Business Operations

Date presenting to Steering Team:

Undetermined – Due 8/1/2011

Topic or Decision Point Being Addressed:

Will the State mandate additional benefits beyond the “Essential Benefits” package?

1. Recommendations or perspectives considered

This section should highlight the various perspectives on the topic that were discussed or considered by the workgroup.

The workgroup considered a wide array of issues, including the following:

- Whether to keep the current Kansas mandates in place.
- Whether to review the current Kansas mandates and eliminate the mandates after this review.
- Whether to eliminate any mandates that go beyond the “essential health benefits” established under PPACA §1302(b).

The workgroup understood that under PPACA §1311(d)(3), a state may require additional benefits than are required under the “essential health benefits” package, but that a state must defray the costs of those additional benefits, either directly to the consumer or on the consumer’s behalf. The workgroup also understood that the Secretary of Health and Human Services has yet to define “essential health benefits.”

Through its members, the workgroup heard perspectives from carriers, producers, business owners, and consumer advocates.

2. Consensus Recommendation from the Workgroup to the Steering Team

The workgroup did not reach full consensus on this issue.

3. If a Consensus Recommendation was not reached, please list here the Majority and Minority Recommendations as well as pros/cons for each

A substantial portion of the workgroup recommended reviewing the current Kansas mandates and eliminating any mandates deemed not worth the additional cost to the state. Presumably, the

Legislature would conduct this review or appoint a panel of experts to conduct it. Either way, the results of this review would have to be enacted by the Legislature.

<p><u>Strengths of the recommendation</u></p> <ul style="list-style-type: none"> • A careful review of the mandates could produce a balanced result, keeping important mandates while eliminating less important ones. • A review would keep this policymaking function in Kansas, rather than at the federal level. 	<p><u>Weaknesses of the recommendation</u></p> <ul style="list-style-type: none"> • The state would have to defray the costs of any remaining mandates. • The review could become politically-charged and unwieldy, and could distract attention from more fundamental tasks in preparing for health care reform. • The review could be expensive and duplicate what is already being reviewed by the Institutes of Medicine and the U.S. Department of Health and Human Services. • Having an idiosyncratic benefits package could make Kansas a less attractive place to offer insurance.
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A substantial portion of the workgroup recommended eliminating any mandates that go beyond the “essential health benefits” established under PPACA §1302(b).

<p><u>Strengths of the recommendation</u></p> <ul style="list-style-type: none"> • This would avoid the requirement for the state to defray their costs. • Having a benefits package consistent with the rest of the health insurance industry could make Kansas a more attractive place to offer insurance. 	<p><u>Weaknesses of the recommendation</u></p> <ul style="list-style-type: none"> • This would allow the federal government to effectively dictate what benefits are sold in Kansas. • Depending on the breadth of the essential health benefits package, Kansans may lose some benefits that are currently mandated under state law.
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4. Rationale behind the recommendation(s)

Please include how the recommendation supports the Guiding Principles that frame this effort

5. Impact or Consequences

Please address all of the following that apply

- Adverse selection
- Fiscal impact (Cost of care, Cost of the exchange)
- Quality of care
- Other, please list
- Topic requires support from or may impact another workgroup:
 - Focus/Business Operations Issues
 - Governance/Legal/Legislative
 - Background Research

- iv. Customer Outreach/Education/Information
- v. Insurance Market Issues
- vi. Funding/Financial
- vii. Agents/Brokers/Navigators
- viii. Medicaid Integration and Interagency Communications
- ix. Insurance Company IT Interface