



Minnesota Hospital Association

2550 University Ave. W., Suite 350-S
St. Paul, MN 55114-1900

phone: (651) 641-1121; fax: (651) 659-1477
toll-free: (800) 462-5393; www.mnhospitals.org

January 16, 2012

Submitted electronically

Commissioner Mike Rothman, Minnesota Department of Commerce
Commissioner Ed Ehlinger, Minnesota Department of Health
Commissioner Cindy Jesson, Minnesota Department of Human Services
Healthreform.mn@state.mn.us

RE: Essential Health Benefits

Dear Commissioners:

On behalf of our 145 member hospitals and 17 member health systems, the Minnesota Hospital Association (MHA) appreciates the opportunity to comment on the Essential Health Benefits (EHB) bulletin published by the Center for Consumer Information and Insurance Oversight on December 16, 2011.

MHA's comments address the mandatory benefit categories, the benchmark plan types, and a need to balance affordability with comprehensive coverage.

Mandatory categories

MHA appreciates the broad range of benefits that are to be included in the EHB. In addition to primary, preventive and hospital services, it is important that the mandatory categories include mental health and chemical dependency, as well as all pediatric services. However, there is some concern that the EHB will not be as comprehensive as what is currently available to many Minnesotans.

There needs to be more detail on the services covered or not covered within each category for MHA to provide more meaningful feedback. In the meantime, we offer the following comments for your consideration:

“Hospitalization” should specifically include coverage for all life-saving procedures, including emergency and ambulance, trauma and transplant services; as well as those outpatient services, like dialysis, radiation therapy and chemotherapy that are equally life-saving.

“Mental health and substance abuse disorder services” should include the mid-level interventions that many Minnesotans currently receive when in a crisis to prevent further escalation. For example, outpatient and intensive community-based services such as ACT teams (Assertive

Community Treatment) keep individuals out of the most intensive and expensive inpatient hospital care. Otherwise, hospitals will see a dramatic increase in uncompensated care due to emergency room visits, transfers and inpatient admissions from people in a mental health crisis who have nowhere else to turn. Minnesota's "intermediate" level of care for people in this situation should be part of the EHB.

"Pediatric services, including oral and vision" is a welcome inclusion. However, as the bulletin points out, pediatric oral and vision coverage are less likely to be a covered benefit in one of the plan types being considered for a benchmark plan. Many plans in Minnesota do not cover dental care for pediatrics in a medical setting, even when medically necessary. For example, a child with autism or a behavioral health issue may need to be sedated at a hospital in order to safely complete a dental procedure. Also, these suggested benchmark plans often lack coverage for pediatric home care, which is necessary for some children with cognitive disorders. It is important, therefore, that the EHB be comprehensive enough to include these required services.

Finally, the bulletin suggests supplementing coverage from another plan if the benchmark plan does not include a particular mandatory benefit. It is unclear what "supplementing" will mean and, therefore, it needs to be carefully defined. Any supplemented coverage should be seamless to avoid administrative errors in coverage, confusion for consumers or payment delays for providers.

Benchmark plans

The EHB bulletin includes four benchmark plan types for states to consider as EHB for health plans in the individual and small group market:

- 1) The largest plan by enrollment in any of the three largest small group insurance products in the State's small group market.
- 2) Any of the largest three State employee health benefit plans by enrollment.
- 3) Any of the largest three national Federal Employees Health Benefits Plan (FEHBP) options by enrollment.
- 4) The largest insured commercial non-Medicaid Health Maintenance Organization (HMO) operating in the State.

Generally speaking, Minnesota has more comprehensive benefits within health plans than what is found in other states. As a result, our state's small group market and the commercial non-Medicaid HMOs are more likely to currently offer benefits like robust coverage for mental health than plans elsewhere.

Although the state employee group plan (SEGIP) appears to have strong, comprehensive coverage, MHA is concerned that its status as a self-insured ERISA plan, combined with the fact that it is subject to political and labor negotiations, makes it less stable or predictable for use as a benchmark plan.

Commissioner Mike Rothman, Minnesota Department of Commerce
Commissioner Ed Ehlinger, Minnesota Department of Health
Commissioner Cindy Jesson, Minnesota Department of Human Services
January 16, 2012
Page 3

Likewise, MHA members' experience would indicate that the federal employees' health plans provide strong coverage. Again though, MHA does not have information about which FEHBP plans are most prevalent in the state or would be used as the benchmark.

Accordingly, with each of these options, MHA does not have the data or details necessary to make a well-informed decision. MHA is interested to learn more about the eight benchmark options being explored by Minnesota's Health Insurance Exchange Advisory Group. Before making a final decision on what would be the best benchmark option, MHA needs to have more complete information and details with which to compare the available options.

Balancing affordability and coverage

MHA was concerned with the Institute of Medicine's focus on cost above coverage in determining the EHB in its October, 2011 report, "Essential Health Benefits: Balancing Coverage and Cost." Minnesota's hospitals and health systems understand the need to bend the cost curve and have made considerable contributions to that effort through multiple quality improvement initiatives, as well as enduring compounding reimbursement rate cuts from state public programs.

The importance of restraining cost growth should not usurp consideration for our residents' need to have meaningful health coverage that provides real access to comprehensive services and the accompanying health and financial security. MHA looks forward to continuing to partner with each of your departments in reaching the balance that will provide Minnesotans with access to the affordable, high-quality care they need to achieve their potential.

Thank you again for the opportunity to comment. If you have any questions, please feel free to contact me at (651) 659-1405 or jmcnertney@mnhospitals.org.

Sincerely,

A handwritten signature in black ink that reads "Jennifer McNertney". The signature is written in a cursive, flowing style.

Jennifer McNertney
Policy Analyst