HEALTH CARE REFORM SERIES

Essential Health Benefits

What is it?

In addition to requiring all Americans to have health insurance coverage, the Affordable Care Act (ACA) also sets some guidelines for what types of services must be covered for individual and small employer plans. Large employers (typically defined as 51 or more employees) do not have to cover Essential Health Benefits (EHBs), but cannot put annual or lifetime dollar limits on the benefits within this set. Each state determines their own benchmark plan for coverage of EHBs.

There are 10 general benefit categories for EHBs, including:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Laboratory services
- Maternity and newborn care
- Mental health and substance use disorder services
- Pediatric services (including oral and vision care)
- Prescription drugs
- Preventive and wellness services and chronic disease management
- Rehabilitative and habilitative services and devices

The intent of EHBs is to provide more comprehensive coverage to fully insured, individual and small group health plan members.

MORE INFORMATION

To learn more, visit **healthpartners.com/employer**.

What does it mean for you?

EHBs became effective on Jan. 1, 2014, as groups renewed, and affects non-grandfathered plans in the fully insured, individual and small employer markets only. Medicaid benchmark and benchmark-equivalent health plans must also meet EHB criteria.

Q&As

Do all plans in the exchange meet EHB criteria?

Yes. All individual and small employer non-grandfathered plans sold both on and off the exchange are required to include EHBs.

Are EHBs and Minimum Essential Coverage (MEC) the same thing?

No. In short, EHBs are rules for insurance carriers about what their plans must offer, while MEC rules tell consumers what type of insurance coverage allows them to avoid the ACA mandate penalty. The ACA defines MEC as coverage under one of the following:

- A specified government sponsored program
- Medicare, Medicaid
- An eligible employer-sponsored plan
- A health plan offered in the individual market within a state
- A grandfathered plan or other health benefits coverage that the Secretaries of the Department of Health and Human Services and the Treasury recognize

The EHB benchmark plan for 2017 and beyond is based on a 2014 plan. States will determine the benchmark plan based on criteria under the law.

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