Presentation to the Interagency Autism Coordinating Committee Meeting (IACC) on

The Essential Health Benefits Study

Cheryl Ulmer, Study Director
January 18, 2011

INSTITUTE OF MEDICINE
OF THE NATIONAL ACADEMIES
Advising the nation / Improving health

The Institute of Medicine asks and answers the nation's most pressing questions about health and health care.

The IOM is an independent, nonprofit organization that works outside of government to provide unbiased and authoritative advice to decision makers and the public.

Established in 1970, the IOM is the health arm of the National Academy of Sciences, which was chartered under President Abraham Lincoln in 1863.

INSTITUTE OF MEDICINE
OF THE NATIONAL ACADEMIES
Advising the nation / Improving health

The IOM serves as adviser to the nation to improve health.

- Unbiased, authoritative advice
- Evidence-based recommendations
- Committees composed to avoid conflicts of interest
- Neutral venue for open dialogue and discussion
- Honorific organization

IOM Membership

- More than 1,800 members and foreign associates
- 65 members elected each year
- Elected for excellence and professional achievement
- Committed to active involvement
- Serve without compensation

Organized by IOM's Boards

Population Health and Public Health Practice

Rose Marie Martinez
Director

Health Sciences Policy

Andrew M. Pope
Director

Health Care Services

Roger C. Herdman
Director

Global Health

Patrick W. Kelley
Director

Food and Nutrition

Linda D. Meyers
Director

Children, Youth, and Families

Rosemary Chalk
Director

African Science Academy Development

Patrick W. Kelley
Director

Health of Select Populations and Medical Follow-Up Agency

Rick Erdtmann
Director

Health Policy Educational Programs and Fellowships

Marie E. Michnich
Program Director

The IOM's Unique Study Process

The Essential Health Benefits Study

Section 1302 of the Affordable Care Act charges the Secretary of HHS to define an essential health benefits package offered by qualified health plans in the health insurance exchanges.

The Secretary has asked the IOM to help guide that process, not by specifying the particular benefits, but by giving some guiding policy principles, criteria and methods for defining and eventually updating the essential benefits package.

Steps to date

- Formed a committee
- Asked for public response on 10 questions
- Held the first of 4 committee meetings
- Audio files from the public sessions will be posted on our website:

http://iom.edu/Activities/HealthServices/EssentialHealthBenefits.aspx

Elements of 1302: Categories of Care

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

Other Elements of Section 1302

Typical employer plan

Implications of inclusion or not of state mandates

Required elements for consideration:
-nondiscrimination based on age, disability, or expected length of life

Some Issues raised in public session

- Generosity of coverage vs. affordability
- The specificity of the essential benefit package at the federal level vs. flexibility in states and among insurers to tailor coverage policies
- Define or not define medical necessity, and define medical vs. non-medical services
- How to set priorities on what is considered essential
- What kind of safeguards should be established at national and/or state levels to monitor coverage decisions, reimbursement rates, or benefit design

10 Questions on Website:

1. What is your interpretation of the word “essential” in the context of an essential benefit package?
2. How is medical necessity defined and then applied by insurers in coverage determinations? What are the advantages/disadvantages of current definitions and approaches?
3. What criteria and methods, besides medical necessity, are currently used by insurers to determine which benefits will be covered? What are the advantages/disadvantages of these current criteria and methods?
4. What principles, criteria, and process(es) might the Secretary of HHS use to determine whether the details of each benefit package offered will meet the requirements specified in the Affordable Care Act?
5. What type of limits on specific or total benefits, if any, could be allowable in packages given statutory restrictions on lifetime and annual benefit limits? What principles and criteria could/should be applied to assess the advantages and disadvantages of proposed limits?
6. How could an “appropriate balance” among the ten categories of essential care be determined so that benefit packages are not unduly weighted to certain categories?
7. How could it be determined that essential benefits are “not subject to denial to individuals against their wishes” on the basis of age, expected length of life, present or predicted disability, degree of medical dependency or quality of life? Are there other factors that should be determined?
8. How could it be determined that the essential health benefits take into account the health care needs of diverse segments of the population, including women, children, persons with disabilities, and other groups?
9. By what criteria and method(s) should the Secretary evaluate state mandates for inclusion in a national essential benefit package? What are the cost and coverage implications of including all current state mandates in requirements for a national essential benefit package?
10. What criteria and method(s) should HHS use in updating the essential package? How should these criteria be applied? How might these criteria and method(s) be tailored to assess whether: (1) enrollees are facing difficulty in accessing needed services for reasons of cost or coverage, (2) advances in medical evidence or scientific advancement are being covered, (3) changes in public priorities identified through public input and/or policy changes at the state or national level?