
State of New Mexico

Essential Health Benefits

Analysis of 2017 Benchmark Plan Options

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Executive Summary

Leif Associates was engaged by the New Mexico Office of the Superintendent of Insurance to perform an actuarial analysis of the State's 2017 Essential Health Benefit benchmark plan options. The scope of our work was as follows:

- To identify differences in benefits and gaps in coverage relative to the ten Essential Health Benefit categories as defined by the Affordable Care Act (ACA)
- To develop options for covering any identified gaps in the benchmark plans
- To compare the plans to each other from the perspective of potential cost differences
- To make recommendations for the selection of the New Mexico 2017 Essential Health Benefits benchmark plan.

The regulatory approach for defining Essential Health Benefits (EHB) utilizes a reference plan based on employer-sponsored coverage, supplemented as necessary to ensure that plans cover each of the 10 statutory categories of EHB. This analysis relates only to covered services, not to cost-sharing.

Key Findings and Recommendations

Non-grandfathered plans in the individual and small group markets both inside and outside of the Marketplaces must cover EHB. EHB must include items and services within ten benefit categories and must equal the scope of benefits provided under a typical employer plan.

States have the flexibility to select an existing health plan to set the benchmark for the items and services included in the 2017 EHB package, but must include all ten statutory categories. Four types of health insurance plans are identified as the plans a State may choose between, including the largest small employer plan, state employee plans, federal employee plans, and the largest HMO plan. The default plan if the State does not select a plan is the largest small group plan, which for New Mexico is the Presbyterian PresElect plan.

We studied the benefits offered by all of the benchmark options and found the following:

- There were only minor benefit differences between the benchmark plan options, with the expected cost differences being in the range of plus or minus 0.5%. The one exception was the FEHBP plans which cover dental benefits for adults and as a result have a considerably higher value.
- As a result of this analysis, we recommend adopting the Presbyterian Individual Silver C plan, which is the state's largest HMO plan. This plan is fully ACA-compliant and will require no benefit substitutions or supplements.

A list of the various components of the recommended plan can be found in Appendix A.



Statutory Requirements

Section 1302(b) of the Affordable Care Act states the requirements for defining Essential Health Benefits (EHB). Non-grandfathered plans in the individual and small group markets must cover EHB both inside and outside of the Marketplaces. Self-insured group health plans, health insurance coverage offered in the large group market, and grandfathered health plans are not required to cover the Essential Health Benefits.

Section 1302(b)(1) provides that EHB include items and services within the following ten benefit categories:

1. Ambulatory patient services,
2. Emergency services,
3. Hospitalization,
4. Maternity and newborn care,
5. Mental health and substance use disorder services, including behavioral health treatment,
6. Prescription drugs,
7. Rehabilitative and habilitative services and devices,
8. Laboratory services,
9. Preventive and wellness services and chronic disease management, and
10. Pediatric services, including oral and vision care.

Section 1302(b)(2) of the Affordable Care Act states that the scope of EHB shall equal the scope of benefits provided under a typical employer plan. In defining EHB, section 1302(b)(4) directs that benefits must not be designed in ways that discriminate based on age, disability, or expected length of life, but must consider the health care needs of diverse segments of the population.

In addition, Section 1311(d)(3) of the Affordable Care Act requires States to defray the cost of any benefits required by State law to be covered by qualified health plans beyond the EHB. If a State chooses a benchmark plan that does not include all State-mandated benefits, the State would be required to defray the cost of those mandated benefits in excess of EHB as defined by the selected benchmark.

The statute distinguishes between a plan's covered services and the plan's cost-sharing features, such as deductibles, copayments, and coinsurance. The cost-sharing features will determine the level of actuarial value of the plan, expressed as a "metal level" as specified in statute: Bronze at 60% actuarial value, Silver at 70% actuarial value, Gold at 80% actuarial value, and Platinum at 90% actuarial value.

States have the flexibility to choose a benchmark plan from among the following health insurance plans:

- The largest plan by enrollment in any of the three largest small group insurance products in the State's small group market;
- Any of the largest three State employee health benefit plans by enrollment;
- Any of the largest three national FEHBP plan options by enrollment; or
- The largest insured commercial non-Medicaid Health Maintenance Organization (HMO) operating in the State.

CMS clarified that the enrollment numbers used to determine the benchmark plan options would be as of the first quarter of 2014 and the products must have been approved for sale for the first quarter of 2014. The largest small group market plan in the State is the default benchmark plan for each State. If a State fails to designate a benchmark plan, this plan will by default become the benchmark plan.



Statutory Requirements

If the benchmark plan chosen by a State is missing coverage in one or more of the ten statutory categories, the State must supplement the benchmark by reference to another benchmark plan that includes coverage of services in the missing category. The default benchmark plan would be supplemented by looking first to the second largest small group market benchmark plan, then to the third, and then, if neither of those alternative small group market benchmark plans offers benefits in a missing category, to the FEHBP benchmark plan with the highest enrollment. Special rules apply to pediatric oral and vision services and habilitative services, which are not included in many health insurance plans.

The Essential Health Benefits plan can include scope and duration limits, although annual and lifetime dollar limits are prohibited. If a benefit, including a State-mandated benefit which has a dollar limit, is included within a State-selected EHB benchmark plan, it must be incorporated into the EHB definition without the dollar limit. However, actuarially equivalent substitutions within statutory categories are allowed, such as replacing dollar limits with visit limits.

A special rule applies to habilitative services. HHS has adopted a uniform definition of habilitative services and for 2017 is requiring separate limits on rehabilitative and habilitative services if limits are used.

The benchmark plan options for pediatric dental and vision are the Federal Employees Dental and Vision Insurance Program (FEDVIP) dental plan with the largest national enrollment; or the State's separate CHIP program.



South Dakota's 2017 Benchmark Plan Options

New Mexico's 2017 Benchmark Plan Options

New Mexico's Essential Health Benefits benchmark plan options were identified by CMS and the New Mexico Office of the Superintendent of Insurance (OSI) with survey assistance from Leif Associates. The options are as follows:

Category	Plans
The largest plan by enrollment in any of the three largest small group insurance products in the State's small group market	<ul style="list-style-type: none">• Presbyterian PresElect (default plan)• Lovelace Classic PPO• United Healthcare Choice Plus
Any of the largest three State employee health benefit plans by enrollment	<ul style="list-style-type: none">• BCBSNM PPO• BCBSNM HMO• Presbyterian HMO
Any of the largest three national FEHBP plan options by enrollment	<ul style="list-style-type: none">• BCBS High Plan• BCBS Standard Plan• GEHA Standard Plan
The largest insured commercial non-Medicaid HMO operating in the State	<ul style="list-style-type: none">• Presbyterian Individual Silver C

The OSI and carriers provided documents describing the plans in detail. We prepared a comparison spreadsheet identifying the benefits covered by each option. The spreadsheet is attached to this report as Appendix B.

Our approach to the analysis was as follows:

1. Identify all benefit variations across the benchmark plan options as identified in Appendix B.
2. For each of the ten Essential Benefit categories, summarize and evaluate the significant benefit differences, in terms of potential cost as well as compliance with the prohibition on dollar maximums.
3. Set the value of the default plan (Presbyterian PresElect) to 1.00 and estimate the benefit cost of the other plans relative to the default plan.
4. Summarize the relative value of all of the benchmark plans.

The 2012 Lovelace Classic PPO was the benchmark plan that formed the basis of the 2014-2016 New Mexico EHB benchmark plan. The Lovelace Classic PPO was also identified by HHS as one of the three largest small group plans for establishing the EHB benchmark for 2017. Lovelace Health plan was acquired by BCBS NM in June 2014. We were unable to secure the March 2014 Lovelace Classic PPO plan detail. We have included the details from the 2012 version in our analysis because it represents the current EHB standard in New Mexico. It is labeled in the tables below as Current.



Cost Differences and Recommendations

Benefit Comparisons

The following paragraphs summarize the similarities and differences between the benchmark option plans. The row numbers listed correspond to the attached Appendix B. Cost estimates were based on a proprietary database of cost and utilization factors for a standard population with total health care costs of approximately \$600 per month.

I. Benefits Covered By All Benchmark Options

The following health care services were found to be covered by all of the 2017 benchmark options, as well as the current benchmark plan:

Row Number	Benefit	Coverage
1	Primary Care Visit to Treat an Injury or Illness	Covered
2	Specialist Visit	Covered
3	Other Practitioner Office Visit (Nurse, Physician Assistant)	Covered
4	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Covered
5	Outpatient Surgery Physician/ Surgical Services	Covered
13	Urgent Care Centers of Facilities	Covered
15	Emergency Room Services	Covered
16	Emergency Transportation/ Ambulance	Covered
17	Inpatient Hospital Services (e.g., Hospital Stay)	Covered
18	Inpatient Physician and Surgical Services	Covered
19	Bariatric Surgery	Covered
22	Prenatal and Postnatal Care	Covered
23	Delivery and All Inpatient Services for Maternity Care	Covered
24	Mental/Behavioral Health Outpatient Services	Covered
25	Mental/Behavioral Health Inpatient Services	Covered
26	Substance Abuse Disorder Outpatient Services	Covered
27	Substance Abuse Disorder Inpatient Services	Covered
28	Generic Drugs	Covered
29	Preferred Brand Drugs	Covered
30	Non-Preferred Brand Drugs	Covered



Cost Differences and Recommendations

Row Number	Benefit	Coverage
31	Specialty Drugs	Covered
37	Diagnostic Test (X-Ray and Lab Work)	Covered
38	Imaging (CT/PET Scans, MRIs)	Covered
39	Preventive Care/Screening/Immunization	Covered
47	Dental Services Resulting From Accident	Covered

II. Benefits Not Covered By Any Benchmark Option

The following health care services were found to not be covered by any of the 2017 benchmark options, as well as the current benchmark plan:

Row Number	Benefit	Coverage
10	Long-Term/Custodial Nursing Home Care	Not Covered
20	Cosmetic Surgery	Not Covered
40	Routine Foot Care	Not Covered
42	Weight Loss Programs	Not Covered

III. Benefits Covered Differently Between The Benchmark Options

The following health care services were found to have varied benefits between the benchmark options.

A. Hospice Services

(Row Number 6)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered. Respite care limited to 5 days for every 60 days of hospice care, no more than 2 respite care stays during a hospice benefit period	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.0%
State Employee Plans	BCBS NM PPO	Covered. Respite care limited to 5 days for every 60 days of hospice care, no more than 2 respite care stays during a hospice benefit period	0.0%
	BCBS NM HMO	Covered. Respite care limited to 5 days for every 60 days of hospice care, no	0.0%



Cost Differences and Recommendations

Benchmark Category	Plan	Coverage	Cost Relative to Default
		more than 2 respite care stays during a hospice benefit period	
	Presbyterian HMO	Covered. Respite care lifetime max of 2 session of up to 10 days for each hospice benefit period.	0.0%
FEHBP Plans	BCBS Standard Option	Covered. Inpatient benefits are provided for up to 30 consecutive days. Each inpatient stay must be separated by at least 21 days of home hospice care.	0.0%
	BCBS Basic Option	Covered. Inpatient benefits are provided for up to 30 consecutive days. Each inpatient stay must be separated by at least 21 days of home hospice care.	0.0%
	GEHA Standard Option	Covered. Pays up to \$15,000 for a combination of inpatient and outpatient care.	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Covered. Respite care limited to 5 days for every 60 days of hospice care, no more than 2 respite care stays during a hospice benefit period.	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.0001 per member. The low utilization of hospice care results in variations in benefit design having an insignificant impact on total cost.

B. Non-Emergency Care When Traveling Outside the U.S.

(Row Number 7)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered	0.1%
Small Group (Default Plan)	Presbyterian PresElect	Not covered. Emergent and urgent care only.	0.0%
Small Group Other	United Healthcare Choice Plus	Not covered. Emergency care only.	0.0%
State Employee Plans	BCBS NM PPO	Not covered. Emergency care only.	0.0%
	BCBS NM HMO	Not covered. Emergency care only.	0.0%
	Presbyterian HMO	Covered	0.1%
FEHBP Plans	BCBS Standard Option	Covered	0.1%
	BCBS Basic Option	Covered	0.1%
	GEHA Standard Option	Covered	0.1%
Largest HMO Plan	Presbyterian Individual Silver C	Not covered except for emergency and urgent care services	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.01 and average cost of \$583.



Cost Differences and Recommendations

C. Routine Dental Services (Adult)

(Row Number 8)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Not covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Not covered	0.0%
Small Group Other	United Healthcare Choice Plus	Not covered	0.0%
State Employee Plans	BCBS NM PPO	Not covered	0.0%
	BCBS NM HMO	Not covered	0.0%
	Presbyterian HMO	Not covered	0.0%
FEHBP Plans	BCBS Standard Option	Covered	9.7%
	BCBS Basic Option	Covered	9.7%
	GEHA Standard Option	Covered	9.7%
Largest HMO Plan	Presbyterian Individual Silver C	Not Covered	0.0%

Estimated cost impacts were based on an assumed 2017 dental PMPM cost of \$58.

D. Infertility Treatment

(Row Number 9)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered. Excludes in vitro fertilization and costs connected with collection, preparation, storage of sperm for artificial insemination, including donor fees, reversal of voluntary sterilization surgery	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered for diagnosis and treatment, including drugs and injections for physical conditions causing infertility except as required to reverse prior voluntary sterilization surgery. Artificial insemination is covered for up to three inseminations. In vitro, GIFT and ZIFT fertilization are not covered.	0.0%
Small Group Other	United Healthcare Choice Plus	Covered only to treat or correct underlying causes of fertility	0.0%
State Employee Plans	BCBS NM PPO	Covered only for diagnostic testing, surgical treatments and hormone replacement	0.0%
	BCBS NM HMO	Covered only for diagnostic testing, surgical treatments and hormone replacement	0.0%
	Presbyterian HMO	Covered only for diagnostic testing, surgical treatments and hormone replacement	0.0%



Cost Differences and Recommendations

Benchmark Category	Plan	Coverage	Cost Relative to Default
FEHBP Plans	BCBS Standard Option	Covered for diagnosis and treatment, except assisted reproductive technology and assisted insemination procedures, cryopreservation or storage of sperm, eggs, or embryos, and infertility drugs used for these procedures.	0.0%
	BCBS Basic Option	Covered for diagnosis and treatment, except services after voluntary sterilization, fertility drugs, genetic counseling pre-implantation, assisted reproductive technology and procedure, cost of donor sperm or egg used in conjunction with non-covered procedures	0.0%
	GEHA Standard Option	Covered for diagnosis and treatment, except assisted reproductive technology and assisted insemination procedures, cryopreservation or storage of sperm, eggs, or embryos, and infertility drugs used for these procedures.	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Not covered	-0.4%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.005 per member and an average cost of \$5,800.

E. Private-Duty Nursing

(Row Number 11)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Not covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Not covered	0.0%
Small Group Other	United Healthcare Choice Plus	Covered only on an inpatient basis when skilled nursing is not available from the hospital	0.4%
State Employee Plans	BCBS NM PPO	Not covered	0.0%
	BCBS NM HMO	Not covered	0.0%
	Presbyterian HMO	Not covered	0.0%
FEHBP Plans	BCBS Standard Option	Not covered	0.0%
	BCBS Basic Option	Not covered	0.0%
	GEHA Standard Option	Not covered	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Not covered	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.005 per member and an average cost of \$3,600.



Cost Differences and Recommendations

F. Routine Eye Exam (Adult)

(Row Number 12)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Not covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Not covered	0.0%
Small Group Other	United Healthcare Choice Plus	Not covered	0.0%
State Employee Plans	BCBS NM PPO	Not covered	0.0%
	BCBS NM HMO	Not covered	0.0%
	Presbyterian HMO	Not covered	0.0%
FEHBP Plans	BCBS Standard Option	Not covered	0.0%
	BCBS Basic Option	Not covered	0.0%
	GEHA Standard Option	Covered	1.3%
Largest HMO Plan	Presbyterian Individual Silver C	Not covered	0.0%

Estimated cost impacts were based on an assumed 2017 PMPM cost of \$8.

G. Home Health Care Services

(Row Number 14)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered. Limited to 100 visits per year	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.0%
State Employee Plans	BCBS NM PPO	Covered. Limited to 100 visits per year	0.0%
	BCBS NM HMO	Covered	0.0%
	Presbyterian HMO	Covered	0.0%
FEHBP Plans	BCBS Standard Option	Covered, limited to 50 visits per year, one visit equals 2 hours	-0.2%
	BCBS Basic Option	Covered, limited to 25 visit per year, one visit equals 2 hours	-0.2%
	GEHA Standard Option	Covered, limited to 50 visits per year, one visit equals 2 hours	-0.2%
Largest HMO Plan	Presbyterian Individual Silver C	Covered, limited to 100 visits per year	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.07 per member and an average cost of \$234 per 4-hour visit.



Cost Differences and Recommendations

H. Skilled Nursing Facility

(Row Number 21)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered. Limited to 60 days per year.	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered. Limited to 60 days per year.	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.05
State Employee Plans	BCBS NM PPO	Covered	0.0%
	BCBS NM HMO	Covered	0.0%
	Presbyterian HMO	Covered	0.0%
FEHBP Plans	BCBS Standard Option	Not covered unless member has Medicare Part A	0.0%
	BCBS Basic Option	Not covered unless member has Medicare Part A	0.0%
	GEHA Standard Option	Covered for first 14 days following transfer from acute inpatient confinement, limited to \$700 per day	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Covered. Limited to 60 days per year	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.0065 per member and an average cost of \$443 per day.

I. Outpatient Rehabilitation Services

(Row Number 32)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.0%
State Employee Plans	BCBS NM PPO	Covered	0.0%
	BCBS NM HMO	Covered	0.0%
	Presbyterian HMO	Covered	0.0%
FEHBP Plans	BCBS Standard Option	Covered, limited to 75 visits per year	-0.3%
	BCBS Basic Option	Covered, limited to 50 visits per year	-0.9%
	GEHA Standard Option	Covered, limited to 60 visits per year combined with habilitative	-0.7%
Largest HMO Plan	Presbyterian Individual Silver C	Covered	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 2.11 per member and an average cost of \$71 per visit.



Cost Differences and Recommendations

J. Chiropractic Care

(Row Number 34)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered. Limited to 20 visits per year	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered. \$1,500 annual maximum combined with acupuncture, massage therapy, and biofeedback	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.0%
State Employee Plans	BCBS NM PPO	Covered. Limited to 25 visits per year combined with acupuncture	0.0%
	BCBS NM HMO	Covered. Limited to 25 visits per year combined with acupuncture	0.0%
	Presbyterian HMO	Covered. Limited to 25 visits per year combined with acupuncture	0.0%
FEHBP Plans	BCBS Standard Option	Covered. Limited to 12 visits per person per year	0.0%
	BCBS Basic Option	Covered. Limited to 20 visits per person per year	0.0%
	GEHA Standard Option	Covered. Limited to 12 visits per person per year.	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Covered. Limited to 20 visits per year for acupuncture and chiropractic combined	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.1115 per member and an average cost of \$78 per visit.

K. Durable Medical Equipment

(Row Number 35)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered. \$5,000 annual maximum	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.0%
State Employee Plans	BCBS NM PPO	Covered	0.0%
	BCBS NM HMO	Covered	0.0%
	Presbyterian HMO	Covered	0.0%
FEHBP Plans	BCBS Standard Option	Covered	0.0%
	BCBS Basic Option	Covered	0.0%
	GEHA Standard Option	Covered	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Covered	0.0%



Cost Differences and Recommendations

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.2004 per member and an average cost of \$234 per unit.

L. Hearing Aids

(Row Number 36)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered for dependent children only	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered for children up to 18 or 21, limited to \$2,200 every 36 months	0.0%
Small Group Other	United Healthcare Choice Plus	Covered for children up to 18 or 21	0.0%
State Employee Plans	BCBS NM PPO	Covered. Limited to \$2,500 per hearing impaired ear every 36 months for members age 22 and older	0.0%
	BCBS NM HMO	Covered. Limited to \$2,500 per hearing impaired ear every 36 months for members age 22 and older	0.0%
	Presbyterian HMO	Covered. Limited to \$2,500 per hearing impaired ear every 36 months	0.0%
FEHBP Plans	BCBS Standard Option	Covered for children up to age 22 limited to \$2,500 per year. Covered for adults, limited to \$2,500 every three years.	0.0%
	BCBS Basic Option	Covered for children up to age 22 limited to \$2,500 per year. Covered for adults, limited to \$2,500 every three years.	0.0%
	GEHA Standard Option	Covered, benefit payable every five years	0.0%
Largest HMO Plan	Presbyterian Individual Silver C	Covered for children up to 18 or 21	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.0001 per member and an average cost of \$3,149 per unit.

M. Acupuncture

(Row Number 41)

Benchmark Category	Plan	Coverage	Cost Relative to Default
Current	Lovelace Classic PPO	Covered	0.0%
Small Group (Default Plan)	Presbyterian PresElect	Covered. \$1,500 annual maximum combined with acupuncture, massage therapy, and biofeedback	0.0%
Small Group Other	United Healthcare Choice Plus	Covered	0.0%
State Employee Plans	BCBS NM PPO	Covered. Limited to 25 visits per year combined with spinal manipulation	0.0%
	BCBS NM HMO	Covered. Limited to 25 visits per year	0.0%



Cost Differences and Recommendations

Benchmark Category	Plan	Coverage	Cost Relative to Default
FEHBP Plans		combined with spinal manipulation	
	Presbyterian HMO	Covered. Limited to 25 visits per year combined with spinal manipulation	0.0%
	BCBS Standard Option	Covered, limited to 24 visits per year	0.0%
	BCBS Basic Option	Covered, limited to 10 visits per year	0.0%
Largest HMO Plan	GEHA Standard Option	Covered, limited to 20 procedures per year	0.0%
	Presbyterian Individual Silver C	Covered. Limited to 20 visits per year for acupuncture and chiropractic	0.0%

Estimated cost impacts were based on an assumed 2017 annual utilization of 0.005 per member and an average cost of \$45 per visit. Because this is a very low utilization and low cost benefit, the financial impact is insignificant.

IV. Benefits Affected by Federal or State Mandates

A. Pediatric Dental and Vision Benefits

(Row Numbers 43, 44, and 45)

Most of the benchmark plans do not cover pediatric dental and vision benefits. To supplement benchmark plans that do not include these benefits, the State can select supplemental benefits from either the FEDVIP plan or the State's CHIP program. The FEDVIP plan with the largest national enrollment is the BCBS MetLife Dental Plan High Option. The benefits of that plan and the New Mexico CHIP plan are as shown below.

Benefit	FEDVIP	NM CHIP
Preventive	Cleanings twice a year Fluoride twice a year Sealants <u>one per 36 months</u> Space maintainers	Cleanings twice a year Fluoride twice a year Sealants <u>one per 60 months</u> Space maintainers
Diagnostic	Exams twice a year Bitewing x-rays twice a year Full mouth and panoramic x-rays once every 60 months	Exams <u>once a year</u> Bitewing x-rays <u>once a year</u> Full mouth and panoramic x-rays once every 60 months
Treatment	Fillings – silver or composite Crowns – metal or porcelain Root canals Extractions Cleft palate treatment Cancer treatment TMJ <u>not covered</u> Anesthesia	Fillings – silver or composite Crowns – metal or porcelain Root canals Extractions Cleft palate treatment Cancer treatment TMJ treatment Anesthesia

The FEDVIP vision plan with the largest national enrollment is the BCBS FEP Blue Vision High Option. The benefits of this plan and the New Mexico CHIP plan are as follows:



Cost Differences and Recommendations

Vision Benefit	FEDVIP	NM CHIP
Annual Benefit	One routine eye exam every calendar year; one pair of standard eyeglass lenses or contact lenses every calendar year; one frame every calendar year.	One eye exam every 12 months; eyeglasses every 12 months; replacement lenses; minor repairs to eyeglasses, lens tinting if certain conditions are present; lenses to prevent double vision

The current New Mexico pediatric dental and vision benefits are based on the New Mexico CHIP program.

B. Habilitative Services

(Row Number 33)

HHS has adopted a uniform definition of habilitative services beginning in 2016. Habilitative services are defined as health care services that help a person keep, learn, or improve skills and functioning for daily living. Examples include therapy for a child who is not walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Beginning in 2017, plans that provide EHB cannot impose limits on coverage of habilitative services that are less favorable than any such limits imposed on coverage of rehabilitative services. In other words, habilitative and rehabilitative services cannot count toward a common visit limit. Issuers no longer have an option to determine the scope of habilitative services.

Some of the benchmark options do not cover habilitative services, including the default plans Presbyterian PresElect and the FEHPB plan. If one of these plans is chosen as the benchmark, it will need to be supplemented with habilitative benefits that meet the federal standard.

C. TMJ Services

(Row Number 46)

Insurance coverage for surgical and nonsurgical treatment of temporomandibular joint disorders and craniomandibular disorders is required in New Mexico by §59A-16-13.1. The benefits must be subject to the same conditions, limitations, prior review and referral procedures as are applicable to treatment of any other joint in the body and treatable by any practitioner of the health arts as defined in statute.

All of the benchmark options cover dental anesthesia except for the Federal Employee Plans. If one of the Federal Employee Plans is chosen as the 2017 benchmark plan, the benefits will need to be supplemented with the mandated benefits.

D. Dental Anesthesia

(Row Number 48)

Hospitalization and general anesthesia provided in a hospital or ambulatory surgical center for dental surgery are required for the certain insureds by §59A-22-48.



Cost Differences and Recommendations

All of the benchmark options cover dental anesthesia except for one of the State Employee Plans. If that plan is chosen as the 2017 benchmark plan, the benefits will need to be supplemented with the mandated benefits.

Summary of Benefit Cost Differences

The table below shows a summary of the expected relative cost differences between the benchmark options. It can be seen that all the plans are close in value ($\pm 0.5\%$) except for the FEHBP plans, which include dental benefits for adults and therefore have a value that is 8% to 10% higher.

Row #	Benefit	Current	SG		State EE			FEHBP			HMO
		Lovelace Classic PPO	Presbyterian PresElect (default)	United Healthcare Choice Plus	BCBS NM PPO	BCBS NM HMO	Presbyterian HMO	BCBS Standard	BCBS Basic	GEHA Standard	Presbyterian Individual Silver C
6	Hospice Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7	Non-Emerg Care Outside U.S.	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%
8	Adult Dental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.7%	9.7%	9.7%	0.0%
9	Infertility Treatment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%
11	Private Duty Nursing	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
12	Routine Eye Exam (Adult)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%
14	Home Health	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%	-0.2%	0.0%
21	Skilled Nursing Facility	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Outpatient Rehab	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.9%	-0.7%	0.0%
34	Chiropractic	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
35	Durable Medical Equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
36	Hearing Aids	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
41	Acupuncture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Combined	0.1%	0.0%	0.4%	0.0%	0.0%	0.1%	9.3%	8.7%	10.2%	-0.4%

Recommendations

Our recommendations for the 2017 New Mexico Essential Health Benefits benchmark plan are as follows:

1. **Adopt the Presbyterian Individual Silver C as the 2017 Essential Health Benefits benchmark plan.**

Our reasons for this recommendation are as follows:

- This is the only plan among the benchmark options that is a metal level plan and fully compliant with the Affordable Care Act. Thus it will require no benefit substitutions or supplements.
- Using this plan should result in very little or no disruption to insureds or carriers in 2017 as the benefits are so similar to the current EHB benchmark plan.

2. **Continue using the New Mexico CHIP plans for pediatric dental and vision.**



Appendix A – Proposed New Mexico 2017 Essential Health Benefits Benchmark Plan

Appendix B – New Mexico’s EHB Benchmark Plan Options Spreadsheet

**Proposed 2017 New Mexico Essential Health Benefits Benchmark Plan**

Row Number	Benefit	Coverage	Limits
1	Primary Care Visit to Treat an Injury or Illness	Covered	
2	Specialist Visit	Covered	
3	Other Practitioner Office Visit (Nurse, Physician Assistant)	Covered	
4	Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Covered	
5	Outpatient Surgery Physician/ Surgical Services	Covered	
6	Hospice Services	Covered	Respite care limited to 5 continuous days for every 60 days of hospice care. No more than 2 respite care stays available during a hospice benefit period.
7	Non-Emergency Care When Traveling Outside the U.S.	Not covered	Emergency and urgent care is covered
8	Routine Dental Services (Adult)	Not covered	
9	Infertility Treatment	Not covered	
10	Long-Term/Custodial Nursing Home Care	Not covered	
11	Private-Duty Nursing	Not covered	
12	Routine Eye Exam (Adult)	Not covered	
13	Urgent Care Centers of Facilities	Covered	
14	Home Health Care Services	Covered.	Limited to 100 visits per year
15	Emergency Room Services	Covered	
16	Emergency Transportation/ Ambulance	Covered	
17	Inpatient Hospital Services (e.g., Hospital Stay)	Covered	
18	Inpatient Physician and Surgical Services	Covered	
19	Bariatric Surgery	Covered	
20	Cosmetic Surgery	Not Covered	
21	Skilled Nursing Facility	Covered	Limited to 60 days per year
22	Prenatal and Postnatal Care	Covered	
23	Delivery and All Inpatient Services for Maternity Care	Covered	
24	Mental/Behavioral Health Outpatient Services	Covered	
25	Mental/Behavioral Health Inpatient Services	Covered	
26	Substance Abuse Disorder Outpatient Services	Covered	



Appendix A

Row Number	Benefit	Coverage	Limits
27	Substance Abuse Disorder Inpatient Services	Covered	
28	Generic Drugs	Covered	
29	Preferred Brand Drugs	Covered	
30	Non-Preferred Brand Drugs	Covered	
31	Specialty Drugs	Covered	
32	Outpatient Rehabilitation Services	Covered	
33	Habilitation Services	Covered	
34	Chiropractic Care	Covered	Limited to 20 visits per year for acupuncture and chiropractic combined
35	Durable Medical Equipment	Covered	
36	Hearing Aids	Covered	Only for children up to 18 or 21 years of age
37	Diagnostic Test (X-Ray and Lab Work)	Covered	
38	Imaging (CT/PET Scans, MRIs)	Covered	
39	Preventive Care/Screening/Immunization	Covered	
40	Routine Foot Care	Not Covered	
41	Acupuncture	Covered	Limited to 20 visits per year for acupuncture and chiropractic combined
42	Weight Loss Programs	Not Covered	
43	Routine Eye Exam for Children	Covered	NM CHIP benefits
44	Eye Glasses for Children	Covered	NM CHIP benefits
45	Dental Check-Up for Children	Covered	NM CHIP benefits
46	TMJ Services	Covered	
47	Dental Services Resulting From Accident	Covered	
48	Dental Anesthesia	Covered	