

California Health Benefits Review Program

Policy Brief:

Pediatric Dental and Pediatric Vision
Essential Health Benefits

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PEDIATRIC DENTAL AND PEDIATRIC VISION ESSENTIAL HEALTH BENEFITS

Starting on January 1, 2014, the Patient Protection and Affordable Care Act of 2010 (ACA) will require many forms of health insurance to cover essential health benefits (EHBs).¹ Among the new EHBs is the category of “pediatric services, including oral and vision care.”² Because many health plans and policies either do not offer or offer limited dental and vision coverage, the implementation of this requirement has raised a number of issues for policymakers and stakeholders in California to consider. This brief describes the choices California has made to comply with the ACA’s pediatric dental and pediatric vision EHB requirement.

In October 2012, the California Health Benefits Review Program (CHBRP) published a brief on the topic of pediatric dental and pediatric vision EHBs that raised several policy and technical questions that were unresolved at the time. An updated version of the brief was published in March 2013, with some of the questions addressed by state law and federal guidance. This update will provide further clarification on the status of the original questions, as well as additional information on how this category of EHBs will be defined in California.

Background

The defining of EHBs involves both federal and state oversight.³ EHBs were initially delineated in the ACA, and subsequently the U.S. Department of Health & Human Services (HHS) released guidance that provided more specific parameters for defining EHBs at the state level.⁴ Based on this guidance, states have been tasked with the decision to select EHBs through their choice of a “benchmark plan”. The benchmark plan selection defines the scope of EHBs in a particular state, and must meet the 10 EHB categories outlined in the ACA.⁵

For pediatric dental and pediatric vision benefit coverage, some benchmark plan options offer limited benefits for these two categories, or simply do not include pediatric dental or vision coverage. In such cases, the state must supplement their benchmark plan choice with benefits from other plan designs in order to fulfill the EHB requirement for pediatric dental and pediatric vision care services.⁶ For example, California’s benchmark plan choice, Kaiser Small Group HMO 30⁷, does not include comprehensive pediatric dental or pediatric vision benefits.⁸ The

¹ Affordable Care Act Section 1302(b)(1).

² Affordable Care Act Section 1302(b)(1)(J).

³ California has a bifurcated regulatory system. Two distinct agencies, the Department of Managed Health Care (DMHC) and the California Department of Insurance (CDI), are responsible for regulating the majority of health insurance products in the state.

⁴ Available at: www.cms.gov/CCIIO/Resources/Files/Downloads/essential_health_benefits_bulletin.pdf and www.cms.gov/CCIIO/Resources/Files/Downloads/ehb-faq-508.pdf. Accessed November 15, 2013.

⁵ CCIIO. Essential Health Benefits Bulletin. 12/16/11. Available at: www.cms.gov/CCIIO/Resources/Files/Downloads/essential_health_benefits_bulletin.pdf. Accessed November 15, 2013.

⁶ CCIIO. Essential Health Benefits Bulletin. 12/16/11. Available at: www.cms.gov/CCIIO/Resources/Files/Downloads/essential_health_benefits_bulletin.pdf. Accessed November 15, 2013.

⁷ Health and Safety Code Section 1367.005; Insurance Code Section 10112.27.

following section describes the choices California has made to supplement its chosen benchmark plan in order to comply with the ACA's pediatric dental and pediatric vision EHB requirement.

Policy Questions

What Specific Tests, Treatments, and Services Will Be Covered by the Pediatric Dental and Pediatric Vision EHB Category?

Federal guidance issued after passage of the ACA suggested that a state select supplemental benefits from its Children's Health Insurance Program (CHIP) or from the largest (by enrollment) Federal Employee Dental and Vision Insurance Program (FEDVIP).⁹ Following this federal guidance, California law has selected Healthy Families (the state CHIP program) as the source for defining EHB pediatric dental benefits, and selected the Blue Cross Blue Shield (BCBS) FEP BlueVision FEDVIP as the source for defining EHB pediatric vision benefits.¹⁰

The dental benefits for Healthy Families include coverage for preventive care (cleanings, fluoride treatments), fillings, sealants, diagnostic services, and certain major procedures (root canals, oral surgery, crowns, bridges, and dentures).¹¹

The vision benefits for BCBS FEP BlueVision include coverage for routine eye examinations, glasses, and contact lenses.¹²

What Age Group Will Be Eligible for Pediatric Dental and Pediatric Vision Benefits?

A federal rule, originally issued on November 26, 2012, and finalized on February 25, 2013, recommended coverage for both pediatric dental and pediatric vision benefits for individuals up to age 19, with a state option to provide coverage beyond age 19.¹³ Covered California, the health insurance marketplace¹⁴ in California, is following this guidance and offering pediatric dental and pediatric vision benefits to enrollees up to age 19.¹⁵

⁸ Kaiser Permanente for Small Businesses Evidence of Coverage. Available at: www.insurance.ca.gov/0100-consumers/0020-health-related/upload/KaiserSmallGroupHMO.pdf. Accessed November 15, 2013.

⁹ CCIIO Essential Health Benefits Bulletin, 12/16/11. Available at: www.cms.gov/CCIIO/Resources/Files/Downloads/essential_health_benefits_bulletin.pdf. Accessed November 15, 2013.

¹⁰ Health & Safety Code Section 1367.005, Insurance Code Section 10112.27.

¹¹ Healthy Families Summary of Benefits. Available at: www.healthyfamilies.ca.gov/HFProgram/Summary_of_Benefits.aspx. Accessed November 15, 2013.

¹² U.S. Office of Personnel Management, FEP BlueVision. Available at: archive.opm.gov/insure/health/planinfo/2013/brochures/FEPBlueVi.pdf. Accessed November 15, 2013.

¹³ Department of Health and Human Services, Patient Protection and Affordable Care Act; Standards Related to Essential Health Benefits, Actuarial Value, and Accreditation; Proposed Rule. Federal Register, Vol. 77, No. 227. Monday, November 26, 2012. §156.110. Available at: www.gpo.gov/fdsys/pkg/FR-2012-11-26/pdf/2012-28362.pdf. Accessed November 15, 2013.

¹⁴ The Affordable Care Act requires the establishment of health insurance exchanges in every state, now referred to as health insurance marketplaces.

¹⁵ Covered California, Children's Dental Insurance Plan Rates. Available at: www.coveredca.com/PDFs/English/booklets/CC_Childrens_dental_plan_rates.pdf. Accessed November 15, 2013.

How Will Stand-Alone Health Insurance be Coordinated with Stand-Alone Dental Insurance to Fulfill the Pediatric Dental EHB Requirement?

The ACA allows the pediatric dental benefit to be covered either through a stand-alone dental insurance carrier or through an enrollee's health insurance carrier.¹⁶ This allows two different carriers to jointly fulfill the EHB requirement (one covering all other benefits and a second covering pediatric dental benefits), and raises the following compliance-related questions.

What entity will confirm that an enrollee has full EHB-compliant coverage?

Inside Covered California: For products sold in the state's health insurance marketplace, Covered California will confirm whether an enrollee has EHB-compliant coverage, but it will not require coverage of pediatric dental benefits in 2014. According to federal law, enrollees in products sold in a state's health insurance marketplace are not required to purchase pediatric dental coverage, but there is a requirement that such coverage be offered by the state's health insurance marketplace starting in 2014. Covered California has not currently determined whether it will require the purchase of pediatric dental benefits in the future. This policy will be re-evaluated for 2015.¹⁷ According to federal law, the pediatric dental EHB can also be offered in different ways, either as an embedded benefit in a health plan, in a bundled arrangement, or as a separate stand-alone dental plan.¹⁸ Covered California chose not to accept bids for the embedded option from qualified health plans (QHPs) for open enrollment in 2014.¹⁹ This decision allows QHPs without pediatric dental coverage to participate in Covered California and offer what are called "9.5" plans, which are basically health plans that offer the nine other categories of EHBs along with pediatric vision. In such cases, these plans could be supplemented by ".5" plans, offering pediatric dental coverage only, to fulfill EHB requirements.²⁰

Outside Covered California: For DMHC-regulated plans and CDI-regulated policies sold outside of Covered California that are subject to EHB coverage requirements, all 10 categories of essential health benefits must be offered to all enrollees.²¹ It is currently unclear whether the state regulators or some other entity would be responsible for confirming that these benefits are being fulfilled to comply with ACA requirements for insurance purchased outside of Covered California.

¹⁶ Affordable Care Act Section 1311(d)(2)(B)(ii).

¹⁷ Covered California, Pediatric Dental Coverage: Background and Policy Options. 9. Available at: www.healthexchange.ca.gov/BoardMeetings/Documents/August%208,%202013/BRB%20-%20Pediatric%20Dental%20Coverage%20-%20Background%20and%20Policy%20Options.pdf. Accessed November 15, 2013.

¹⁸ Dental plans are considered embedded when they are offered like all other benefits within a health plan, under the same premium and actuarial value calculation. In an embedded plan, the health plan issuer assumes all risks and liabilities. This option is not currently available in Covered California for plan year 2014. Bundled plans are situations where a health plan pairs with a stand-alone dental plan to offer dental benefits to enrollees. In these cases, each plan is considered separately, with separate out-of-pocket limits and actuarial values. Stand-alone dental plans are dental plans that are offered completely separately from health insurance.

¹⁹ Covered California, Pediatric Dental Coverage: Background and Policy Options. 3.

²⁰ Covered California, Pediatric Dental Coverage: Background and Policy Options. 2.

²¹ Covered California, Pediatric Dental Coverage: Background and Policy Options. 4.

How will annual out-of-pocket limits be coordinated by two insurance carriers?

Along with defining EHBs, the ACA requires plans and policies that cover EHBs to have an annual limitation on out-of-pocket spending.²² The February 2013 federal rule resolved the need to coordinate annual out-of-pocket limits between two different carriers (for health and dental insurance) by stating that stand-alone pediatric dental insurance should have a separate annual limit from the annual limit for health insurance.²³ This means that both carriers will separately calculate and track their respective out-of-pocket limits. State law has confirmed these two separate out-of-pocket limits, but this is subject to change in the future.²⁴

According to state law, the out-of-pocket limit for an embedded plan would be \$6,350 for an individual for both health and dental benefits. Since Covered California chose to offer stand-alone dental plans alongside QHPs in bundled arrangements, there are currently two separate out-of-pocket limits (\$6,350 for medical, \$1,000 for dental) in California.²⁵ In future plan years, Covered California is considering offering embedded plans that would include pediatric dental alongside comprehensive health benefits, and such a decision could result in a single out-of-pocket limit for both sets of benefits.²⁶

Conclusion

As policymakers in California work toward full implementation of health reform, questions around the pediatric dental and pediatric vision EHB category will continue to present new challenges. CHBRP will provide updates on this topic as new rules and regulations are issued by the state Legislature and regulators, and by the federal government.

²²Affordable Care Act Section 1302(c)(1)(a).

²³Federal Register, Vol. 77, No. 227. Monday, November 26, 2012. §156.150.

²⁴Health and Safety Code 1367.0065(c)(1-2), Insurance Code 10112.285(b)(1-2).

²⁵Covered California, Pediatric Dental Coverage: Background and Policy Options. 3.

²⁶Covered California, Pediatric Dental Coverage: Background and Policy Options. 7.

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