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**Association of
American Medical Colleges**
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January 25, 2012

Steve Larsen
Deputy Administrator and Director
Center for Consumer Information and Insurance Oversight
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Ave., S.W.
Washington, DC 20201

Re: Essential Health Benefits Bulletin, December 16, 2011

Dear Mr. Larsen:

The Association of American Medical Colleges (AAMC or the Association) welcomes this opportunity to comment on the *Essential Health Benefits Bulletin* (the Bulletin) published by the Center for Consumer Information and Insurance Oversight (CCIIO) on December 16, 2011. The Association of American Medical Colleges is a not-for-profit association representing all 136 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems; and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 128,000 faculty members, 75,000 medical students, and 110,000 resident physicians.

The AAMC appreciates CCIIO's work on this Bulletin, offering insight into the potential regulatory approach to be taken in regards to the Essential Health Benefits (EHB) package. The Association is acutely aware of the complex tasks faced by CMS, the States, health insurance exchanges (Exchanges), and private health plans in operationalizing the Exchanges and the other provisions of the Affordable Care Act (ACA) by 2014. The AAMC applauds the extraordinary efforts to date in implementing Exchange provisions at the same time as complex Medicare and Medicaid changes included in the ACA.

While we understand that the EHB will be more fully detailed in an upcoming proposed regulation, the approach put forth in the Bulletin raises concerns in a number of areas. First, the AAMC believes the federal government should take a more active approach in establishing a uniform EHB package to be used nationwide. Furthermore, the AAMC has concerns about the lack of transparency of the benchmark plan selection process, as well as lack of public comment

regarding the plan selection, benefit design, or changes made to the benchmark plans. Lastly, allowing wide variability by states among the EHB covered in Exchange qualified health plans (QHPs) places administrative burden on regional providers, such as academic medical centers (AMCs).

NEED FOR STRONGER FEDERAL ROLE

The regulatory approach put forth in the Bulletin seems designed to offer states maximum flexibility, proposing that each state select a benchmark plan to define the EHB. This benchmark plan would reflect the scope of services offered by a “typical employer plan” in that state, supplemented to ensure plans cover the 10 statutorily required categories in §1302(b)(1) of the ACA. Four types of plans could serve as benchmark plans in 2014 and 2015: 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 Federal Employee Health Benefits Program (FEHBP) plan options by enrollment; or the largest insured commercial non-Medicaid Health Management Organization (HMO) operating in the state.

While a degree of flexibility is necessary for states to be able to implement Exchanges best suited to local conditions, this approach does not seem to reflect the legislative intent of the EHB in the ACA. Section 1302(b) of the ACA states that “the Secretary shall define the Essential Health Benefits,” and further provisions of §1302 reference specific issues the Secretary should address in designing the EHB package and activities the Secretary will undertake to monitor and update the EHB and report to Congress and the public, indicating Congress’s intent for the federal government to play an active role in defining, monitoring, and updating EHB. It is not clear how HHS will ensure that the ACA-required considerations for EHB are met by states through the approach put forth in the Bulletin. The AAMC urges the federal government to provide clearer standards and definitions of the EHB; merely directing states to select a benchmark plan, with supplementation for any benefits not already covered, is not sufficient.

NEED FOR TRANSPARENCY AND PUBLIC INPUT

Beyond our concern with the Bulletin’s general approach of deferring to the states on defining the EHB, we are concerned about the potential for a lack of transparency or opportunity for public input and comment in the selection of the benchmark plans. Though perhaps beyond the scope of the Bulletin, no indication is given as to what the process will be for state selection of the benchmark plan. The AAMC believes that federal guidelines must be developed regarding the process for state selection, requiring a subsequent review process with opportunity for public comment. Opportunities for public review and comment should be available both during the initial benchmark plan selection, as well as for any modifications. This is especially important should HHS go forward with the benefit design flexibility, and the AAMC believes that any benefit substitutions should be subjected to a higher level of scrutiny.

Deputy Administrator and Director Larsen
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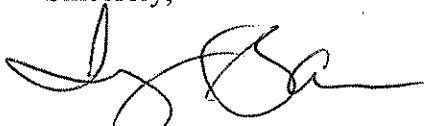
IMPACT ON AMCS AND OTHER REGIONAL PROVIDERS

The AAMC believes there is a need for a higher degree of HHS input and oversight in EHB to ensure that QHPs offered through Exchanges provide consistent and adequate coverage to enrollees nationwide. The approach put forth in the Bulletin leaves room for great variability in the quality of insurance offered to Exchange enrollees. Furthermore, allowing each state to have its own EHB is administratively burdensome to providers, particularly those regional providers serving patients from numerous states. While QHPs will likely vary state to state, the definition of EHB for all states is one area where the federal government can play a role standardizing plans, to benefit both consumers and providers.

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The AAMC appreciates the opportunity to provide comments on the EHB Bulletin. If you have questions, please contact me at ibaer@aamc.org or Jane Eilbacher, Policy and Regulatory Specialist, at jeilbacher@aamc.org or 202-828-0490.

Sincerely,



Ivy Baer, J.D., M.P.H.
Director and Regulatory Counsel
Health Care Affairs

cc: Jane Eilbacher, AAMC