

New Coalition Urges HHS to Consider Cost of Health Benefits in Wake of IOM Recommendations

WASHINGTON, Oct. 7, 2011 /PRNewswire-USNewswire/ -- The newly-formed Essential Health Benefits Coalition today urged the Department of Health and Human Services (HHS) to hold the cost and affordability of the essential health benefits package paramount as recommended by the Institute of Medicine (IOM).

The broad-based coalition – composed of groups representing employers, pharmacy benefit managers and health plans across America – strongly cautioned that an expansive essential health benefits package would force employers to either: Absorb higher health care costs at the expense of creating new jobs and increasing wages; pass more costs onto their workers; or stop offering health coverage altogether. For employers who do not currently offer coverage, an expansive essential benefits package would put affordable coverage farther out of reach.

"The high cost of health care and coverage is the biggest barrier today to coverage for individuals and employers alike. While we are still reviewing the entirety of the IOM's recommendations, the question of whether individuals and employers can afford to buy the essential health benefits package must be the crucial consideration. An expansive, costly essential health benefits package could cause many employers to drop coverage and force more Americans into government-subsidized health care at a significant cost to taxpayers," said Neil Trautwein, vice president and employee benefits policy counsel at the National Retail Federation and chairman of the coalition. "In today's fragile economy where job creation is a priority, neither employers, workers nor taxpayers can bear the burden of higher health care costs and reduced wages as a consequence."

There are four essential criteria that the coalition believes HHS' final essential benefits package must satisfy:

- **The essential health benefits package must be affordable.** It should provide basic services that Americans need to protect their health, not coverage for every treatment we might want.

- **The package must be flexible.** It should give individuals and employers the choice to purchase a range of plans and options, and it must allow for flexibility in insurance design and cost-sharing arrangements.
- **The package should make it easier for employers to offer and individuals to obtain coverage.** What our economy needs is for businesses to grow and hire more workers – a benefits package that is too expensive will hinder business and job growth.
- **The package must consider all costs associated with its development.** Taxpayer costs will greatly increase if more employers are priced out of offering coverage, further threatening America's fiscal future.

"HHS has an opportunity to develop an essential health benefits package that is both affordable and flexible to ensure workers can get the health coverage they need," said Brendan Daly, executive director of the coalition. "We look forward to working with HHS Secretary Sebelius toward that crucial goal."

The Patient Protection and Affordable Care Act (ACA) requires that everyone in the United States have health insurance beginning in 2014. Health plans for individuals and small businesses must include essential health benefits (EHB), which fall under 10 general categories: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and chronic disease management; and pediatric services including oral and vision care. HHS requested that the IOM recommend the criteria and methods for determining and regularly updating the EHB package. The Secretary of Health and Human Services will then issue a specific EHB package that must be offered to individuals.

The Essential Health Benefits Coalition is a broad-based organization composed of trade associations representing large and small employers from various sectors of the U.S. economy, pharmacy benefit managers, and health plans operating in nearly every state. The growing membership of the coalition includes the National Retail Federation, U.S. Chamber of Commerce, National Federation of Independent Business, National Association of Manufacturers, National Association of Wholesaler-Distributors, National

Association of Health Underwriters, Blue Cross and Blue Shield Association, Retail Industry Leaders Association, Prime Therapeutics, America's Health Insurance Plans, ExpressScripts and Pharmaceutical Care Management Association.

SOURCE Essential Health Benefits Coalition