



BENEFIT NEWS BRIEFS

HHS Releases FAQs on Essential Health Benefits

The Department of Health and Human Services (HHS) released additional guidance on HHS's intended approach to defining Essential Health Benefits (EHB) in the form of 22 *Frequently Asked Questions (FAQs)*. Previous HHS guidance on EHBs was discussed in [Benefit News Briefs 2012-01](#).

Probably the most interesting *FAQ* for self-funded plans, like the majority of multiemployer health plans, was *FAQ 10* which explained the relationship between EHBs and self-insured group health plans, grandfathered group health plans, and the large group market health plans that was discussed in [Benefit News Briefs 2012-01](#). *FAQ 10* says:

10. How would the intended EHB policy affect self-insured group health plans, grandfathered group health plans, and the large group market health plans? How would employers sponsoring such plans determine which benefits are EHB when they offer coverage to employees residing in more than one State?

A: Under the *Affordable Care Act*, self-insured group health plans, large group market health plans, and grandfathered health plans are not required to offer EHB. However, the prohibition in PHS Act Section 2711 on imposing annual and lifetime dollar limits on EHB does apply to self-insured group health plans, large group market health plans, and grandfathered group market health plans. These plans are permitted to impose non-dollar limits, consistent with other guidance, on EHB as long as they comply with other applicable statutory provisions. In addition, these plans can continue to impose annual and lifetime dollar limits on benefits that do not fall within the definition of EHB.

To determine which benefits are EHB for purposes of complying with PHS Act Section 2711, the Departments of Labor, Treasury, and HHS will consider a self-insured group health plan, a large group market health plan, or a grandfathered group health plan to have used a permissible definition of EHB under Section 1302(b) of the *Affordable Care Act* if the definition is one that is authorized by the Secretary of HHS (including any available benchmark option, supplemented as needed to ensure coverage of all ten statutory categories). Furthermore, the Departments intend to use their enforcement discretion and work with those plans that make a good faith effort to apply an authorized definition of EHB to ensure there are no annual or lifetime dollar limits on EHB.

The EHB FAQs are available online at the HHS website at: <http://cciio.cms.gov/resources/files/Files2/02172012/ehb-faq-508.pdf> or by "[clicking here.](#)"

A specially prepared version of the FAQs with a table of contents is available by "[clicking here.](#)"

Due to the relationship between EHBs and the benefit limits for self-insured and grandfathered plans, we will continue to report on the evolution of EHBs.

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