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## APPENDIX B: ESSENTIAL HEALTH BENEFITS (EHB)-BENCHMARK PLAN ACTUARIAL CERTIFICATE TEMPLATE

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### Instructions for Completing Appendix B:

Under §156.111(e)(2), States must submit an actuarial certification as part of the EHB-benchmark selection process affirming that the State's EHB-benchmark plan:

- provides a scope of benefits that is equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.111(a), the scope of benefits provided under a typical employer plan as defined at §156.111(b)(2)(i); and
- does not exceed the generosity of the most generous among plans listed at §156.111(b)(2)(ii)(A) and (B).

States must complete all fields of this actuarial certification. CMS will consider any partial or blank fields as incomplete. The actuarial report associated with this certification must be submitted as an attachment. Actuarial reports should be uploaded in a format that prevents further editing after submission. For example, States can scan copies of the Actuarial Report or convert documents into a PDF format to upload

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### SECTION 1: BACKGROUND INFORMATION

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State

Virginia

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1. Which EHB-benchmark plan option (at 45 CFR §156.111(a)) is the State using to make changes to its EHB-benchmark plan? (*Only provide one selection*)

- (a)(1) - Selecting the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110
- (a)(2) - Replacing one or more categories of EHBs under §156.110(a) under its EHB-benchmark plan used for the 2017 plan year with the same category or categories of EHB from the EHB-benchmark plan that another State used for the 2017 plan year under §156.100 and §156.110.
- (a)(3) - Otherwise selecting a set of benefits that would become the State's EHB-benchmark plan.

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### SECTION 2: TYPICAL EMPLOYER PLANS DETERMINATION FOR §156.111(b)(2)(i)

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2. Which definition of a typical employer plan at §156.111(b)(2)(i) was used for the determination under this actuarial certification and associated report? (*Only provide one selection*)

- One of the selecting State's 10 benchmark plan options established at §156.100 of this subpart, and available for the selecting State's selection for the 2017 plan year.
- The largest health insurance plan by enrollment within one of the five largest large group health insurance products by enrollment in the State, as product and plan are defined at §144.103, provided that: (1) The product has at least ten percent of the enrollment among the five largest large group health insurance products in the State; (2) The plan provides minimum value, as defined under §156.145; (3) The benefits are not excepted benefits, as established under §146.145(b), and §148.220; and the benefits in the plan are from a plan year beginning after December 31, 2013.

3. In accordance with §156.111(b)(2)(i), does the State's proposed EHB-benchmark plan provide a scope of benefits that are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan?

- Yes                       No
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4. What plan was the basis for determining that the State's proposed EHB-benchmark plan's scope of benefits are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan?

### Anthem Health Plans of VA Premier DirectAccess PPO

5. Briefly describe the methods, assumptions, and data used to determine that the State's proposed EHB-benchmark plan provides a scope of benefits that are equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan.<sup>1</sup>

- Compare the benefits being offered, and
- Compare the costs of the level of those benefits.

The current EHB-benchmark plan is Anthem Health Plans of VA Premier DirectAccess PPO and reflects a typical employer plan. The proposed EHB-benchmark plan is based on the current EHB-benchmark plan but removes the requirement that medically necessary medical formula provide more than 51% of caloric needs and redefines medically necessary prosthetics to include myoelectric, biomechanical, or microprocessor-controlled prosthetic devices. As medical formula and prosthetics are currently covered by the EHB-benchmark plan, and there are no other differences between the current and proposed EHB-benchmark plan, the scope of benefits are equal to the scope of benefits under a typical employer plan.

### SECTION 3: LIMITATION ON EXCEEDING GENEROSITY FOR §156.111(b)(2)(i)

6. In accordance with §156.111(b)(2)(ii), does the State's proposed EHB-benchmark plan definition exceed the generosity of the most generous among a set of comparison plans, including 1) the State's EHB-benchmark plan used for the 2017 plan year, and 2) any of the State's base-benchmark plan options for the 2017 plan year described in §156.100(a)(1), supplemented as necessary under §156.110?<sup>2</sup>

Yes

No

7. Which plan or plans were used as the basis to determine the most generous plan for this comparison?

The Federal Employee Health Benefits Standard Plan (FEHBP) administered by Blue Cross Blue Shield of Virginia

8. Briefly describe the methods, assumptions and data used to determine whether the State's EHB-benchmark plan does not exceed the generosity of the most generous among a set of comparison plans:

- Compare the benefits being offered, and
- Compare the costs of the level of those benefits.

NovaRest used rate filing information, financial statements, issuer surveys, previous Virginia studies and public information to determine the value of the expanded benefits for Medically Necessary Medical Formula and Medically Necessary Myoelectric, Biomechanical, or Microprocessor-Controlled Prosthetic Devices would be \$0.37 PMPM at 100% actuarial value. The benefits covered by the FEHBP and the current EHB-benchmark plan were compared to determine any differences. NovaRest then determined the expected value of these benefits differences at 100% actuarial value using rate filing information, financial statements, and public information. Benefits covered by the FEHBP and not covered by the current EHB-BP were determined to be \$6.14 PMPM, while benefits covered by the current EHB-BP and not covered by the FEHBP were determined to be \$2.73 PMPM. Therefore the FEHBP is \$3.41 PMPM more generous than the current EHB-BP at 100% actuarial value. Therefore the expanded benefits in the proposed EHB-benchmark (\$0.37 PMPM) plan does not exceed the generosity (\$3.41 PMPM) of the most generous among a set of comparison plans.

<sup>1</sup> A copy of the *Example of an Acceptable Methodology for Comparing Benefits of a State's EHB-benchmark Plan Selection in Accordance with 45 CFR 156.111(b)(2)(i) and (ii)* is available on CCIIO's Regulation and Guidance webpage at <https://www.cms.gov/ccio/resources/regulations-and-guidance/index.html>. The actuary's response to Questions 4 and 8 may be the same or different.

<sup>2</sup> The Essential Health Benefits: List of the Largest Three Small Group Products by State for 2017 is available at <https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Top3ListFinal-5-19-2015.pdf>. States' EHB-benchmark plans used for the 2017 plan year are available at [https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/Final-List-of-BMPs\\_4816.pdf](https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/Final-List-of-BMPs_4816.pdf).

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**SECTION 4: CERTIFICATION LANGUAGE**

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45 CFR §156.111(e)(2) requires that a State selecting its EHB-benchmark plan must submit an actuarial certification and an associated actuarial report from an actuary, who is a member of the American Academy of Actuaries, in accordance with generally accepted actuarial principles and methodologies that affirms:

- (i) That the State's EHB-benchmark plan provides a scope of benefits equal to, or greater than, to the extent any supplementation is required to provide coverage within each EHB category at §156.110(a), the scope of benefits provided under a typical employer plan as defined at §156.111(b)(2)(i); and
- (ii) That the State's EHB-benchmark plan does not exceed the generosity of the most generous among the plans listed in §156.111(b)(2)(ii)(A) and (B).

The analysis described in this document and supported in the actuarial report attached to this document was:

- (i) conducted by a member of the American Academy of Actuaries, and
- (ii) performed in accordance with generally accepted actuarial principles and methods, including complying with all applicable Actuarial Standards of Practice (ASOP).

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Name of Actuary Completing Form

**Donna Novak, ASA, FCA, MAAA, MBA**

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Actuary Signature



Date

3/15/23

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**PRA Disclosure Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-1174 (Expires 02/28/2024)**. The time required to complete this information collection is estimated to average **47 hours or 2,820 minutes per response for States. For Form 1, the estimate is 4 hours. For Form 2, the estimate is 19 hours. For Form 3, the estimate is 12 hours. For Form 4, the estimate is 12 hours.** If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

**\*\*\*\*CMS Disclosure\*\*\*\***

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