

# Feds release rules on essential health benefits

## Law expands mental health, substance abuse benefits

BY KATHRYN MAYER

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The Department of Health and Human Services on Wednesday finalized a key health reform rule that most notably expands mental health and substance abuse benefits to 62 million Americans.

The rule, to take effect next January, outlines standards for a core package of benefits—called essential health benefits—that health insurance issuers must cover both inside and outside the health insurance exchanges. Through its standards for essential health benefits, the final rule expands coverage of mental health and substance use disorder services, including behavioral health treatment, for millions of Americans.

The agency said the policies outlined “will give consumers a consistent way to compare and enroll in health coverage in the individual and small group markets, while giving states and insurers more flexibility and freedom to implement the Affordable Care Act.”

“People all across the country will soon find it easier to compare and enroll in health plans with better coverage, greater quality and new benefits,” HHS Secretary Kathleen Sebelius said in a statement.

The new regulations work to close a major gap in mental health services. In the past, nearly 20 percent of individuals buying insurance didn’t have access to mental health services, and nearly one third had no coverage for substance use disorder services, HHS says.

HHS says the rule seeks to fix that gap in coverage by expanding coverage of these benefits in three ways: By including mental health and substance use disorder benefits as essential health benefits; by applying federal parity protections to mental health and substance use disorder benefits in the individual and small group markets; and by providing more Americans with access to quality health care that includes coverage for mental health and substance use disorder services.

To give states the flexibility to define essential health benefits in a way that would best meet the needs of their residents, the rule also finalizes a benchmark-based approach. This approach allows states to select a benchmark plan from options offered in the market, which are equal in scope to a typical employer plan. Twenty-six states selected a benchmark plan for their state, and the largest small business plan in each state will be the benchmark for the rest.

Additionally, the rule outlines actuarial value levels in the individual and small group markets, which helps to distinguish health plans offering different levels of coverage. Beginning in 2014, plans that cover essential health benefits must cover a certain percentage of costs, known as actuarial value or “metal levels.” These levels are 60 percent for a bronze plan, 70 percent for a silver plan, 80 percent for a gold plan and 90 percent for a platinum plan.

Metal levels will allow consumers to compare insurance plans with similar levels of coverage and cost-sharing based on premiums, provider networks and other factors. In addition, the health care law limits the annual amount of cost sharing that individuals will pay across all health plans—preventing insured Americans from facing catastrophic costs associated with an illness or injury, HHS says.

