

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

### 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

### SECTION 1: BACKGROUND INFORMATION

State

State of Vermont

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.

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

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

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?

#### Blue Cross Blue Shield of Vermont Plan J with additional coverage for lifestyle and stomach acid drug

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 first test that needs to be met is the typical employer plan test. In particular, a new benchmark must provide a scope of benefits that is equal to a typical employer plan. For the typicality test, Wakely selected the Blue Cross Blue Shield of Vermont Plan J with additional coverage for lifestyle and stomach acid drugs (Plan J). Plan J had the highest enrollment within the large group products in Vermont (estimated to be almost half of the fully-insured large group market). It also met other requirements in 45 CFR 156.111 and therefore can be used for the typicality test under 45 CFR 156.111(b)(2)(i). Plan J is identical to the current EHB BMP with the exception of including drug coverage for lifestyle drugs and stomach acid drugs. It does not sufficiently cover the pediatric dental and vision EHB category under 45 CFR 156.110(a). As a result, the pediatric dental and vision EHB categories from the State CHIP plan were used to supplement the plan as allowed and required under 45 CFR 156.110(b).

### 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?

#### Blue Cross Blue Shield of Vermont TotalChoice

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.

The second requirement for a new benchmark is the generosity test. In particular, a state's EHB-benchmark plan must not exceed the generosity of the most generous among the set of comparison plans. Wakely analyzed the generosity among the comparison plans and identified that the Blue Cross Blue Shield of Vermont TotalChoice plan (TotalChoice) as the most generous among the set of comparison plans. Wakely has supported over twelve states with EHB analyses over the years and leveraged some of that prior work in identifying the plans most likely to be the most generous. In particular, Wakely has a strong sense of which benefits are significant in value and which have minimal impact on the overall generosity of the plan. The report documents the differences in the proposed benchmark plan and the TotalChoice plan. Wakely analyzed the expected relative cost difference of the benefits of the proposed benchmark plan and the TotalChoice plan. The TotalChoice plan was estimated to have a higher total value (1.0023) than the proposed benchmark (1.0010). Therefore, the proposed benchmark plan is less generous than the TotalChoice plan and meets the requirements of the generosity test. For further details please see Wakely's actuarial report.

<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).

## SECTION 4: CERTIFICATION LANGUAGE

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).

Name of Actuary Completing Form

Matt Sauter, ASA, MAAA

Actuary Signature

Matt Sauter

Digitally signed by Matt Sauter  
DN: cn=Matt Sauter, o, ou, email=MattS@Wakely.com, c=US  
Date: 2022.04.13 10:44:14 -06'00'

Date

04/13/2022

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