



August 29, 2023

Katie Merritt
Director of Policy and Planning
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120
Email: ra-in-policyoffice@pa.gov

Re: Response to Pennsylvania Insurance Department Notice 2023-14 re Commonwealth Essential Health Benefits Benchmark Plan

Dear Ms. Merritt:

Independence Blue Cross (Independence) appreciates the opportunity to comment on the Pennsylvania Insurance Department's (Department) update of the Commonwealth's Essential Health Benefits benchmark plan (EHB). As the leading health insurance organization in Southeastern Pennsylvania for 85 years, Independence is the only insurer to have offered individual plans to consumers in Philadelphia and the surrounding counties since the inception of the Health Insurance Marketplace. Independence provides affordable coverage for all Pennsylvanians through innovative and competitively priced health plans via a robust portfolio which includes the existing Keystone Health Plan East EHB plan. We are proud to have one of our own plans serve as the Commonwealth's EHB plan for the past years, and as the Department considers updates, we urge a deliberate, transparent process for all stakeholders to ensure ongoing individual market success.

Regarding any changes to the current benchmark plan, the Department could consider states that previously updated their plans via open, data-driven public processes. For example:

- Oregon's Division of Financial Regulation formed an EHB advisory committee, sharing documents and gathering public input through website posts and livestream meetings.¹
- Connecticut established the Health Plan Benefits and Qualifications Advisory Committee, composed of 15 members, representing providers, insurers, consumer advocates, academia, and employers. This committee conferred with agencies and hosted regular public meetings to discuss its recommendations for the next benchmark plan.²

¹ Division of Financial Regulation: Essential Health Benefits (EHB) Rulemaking Advisory Committee: "Committees and Work Groups: State of Oregon." Essential Health Benefits (EHB) Rulemaking Advisory Committee, <http://dfr.oregon.gov/help/committees-workgroups/Pages/EHB-rulemaking-committee.aspx>

² Meetings – Access Health CT. <http://agency.accesshealthct.com/meetings#1478022217262-f07c4476-9fe0cce8-46f7>

Such steps clarified complex matters and identified health needs or disparities that could be remedied by updating the benchmark plan.

We encourage the Department to not only involve the public in discussions on benefits coverage, but also give stakeholders the chance to review the actuarial reporting and certification the state is required to perform and submit to the federal government.³ States such as Colorado, Florida, and Oregon post the analyses on their respective insurance department's websites, permitting the public to evaluate the comparison of benefits and assessment of a proposed plan's generosity. Some states, like New Mexico, even engaged the public in developing the request for proposals and ultimately selecting the actuaries and consultants who performed these analyses. Providing such opportunities maximizes diverse engagement in the benchmark selection and increases the likelihood that the eventual benchmark plan is best suited for the state.⁴

In Pennsylvania, we have the benefit of having a state-based exchange with great expertise in consumer choice and plan benefits. The EHB benchmark selection process would be best informed if it included regular updates to and input from the Pennie Board. By partnering with Pennie, the Department can leverage the Exchange's knowledge of local healthcare needs and its history of tailoring solutions to Pennsylvania's residents. This collaboration would foster a streamlined and coordinated approach to a complex, but important issue and further enhance transparency in the process.

Stakeholders should also understand the costs associated with updating/adding to the state's benchmark plan. The new benchmark cannot exceed the generosity of either the benchmark plan for plan year 2017 or any of the 10 benchmark plan options the state had available for 2017.⁵ Should the state wish to cover benefits exceeding generosity, the costs of any new state mandates passed through legislation would need to be defrayed by the state.⁶ Again, transparency in this process would help Pennsylvania consumers understand the state's budget priorities and help them to appreciate why premium increases may occur from added benefits beyond the current EHB benchmark if benefits are added without legislation/state defrayal.

Furthermore, should the new benchmark plan result in the introduction of additional benefits, it is likely that premiums will rise due to expanded coverage scope and higher potential costs. While consumers currently see lower premiums in part from generous federal subsidies available through American Rescue Plan Act, these subsidies are not permanent and are set to expire if Congress does not renew them past 2025. If consumers could no longer access the subsidies they will be exposed to higher premium plans, that while richer in benefits, may be out of reach for

³ 45 C.F.R. § 156.111(e)(2)

⁴ State of New Mexico Office of Superintendent of Insurance, [Essential-Health-Benefits-Benchmark-Plan-Questions-Responses.pdf](#)

⁵ 45 C.F.R. § 156.111(b)(2)(ii)

⁶ Fact Sheets and Frequently Asked Questions [Clearance Round 1 FAQ on Defrayal of State Additional Required Benefits](#)



many families. Consumers may have little option but to disenroll and this could work against our shared goal of expanding access to affordable health insurance.

Independence thanks the Department for its collaboration. We look forward to engaging with you and other stakeholders through the EHB benchmark selection process.

Sincerely,

A handwritten signature in black ink that reads "Julie Bogorad". The signature is written in a cursive, flowing style.

Julie Bogorad, JD, MPH
Director, Office of Public Policy
Independence Blue Cross