

ESSENTIAL HEALTH BENEFITS

How will benefits be ensured?

2024

Essential Health Benefits–Health Care Liberty Plan

Clearly if benefits are going to be mandatory, it needs to be a prescriptive list in the statute to avoid partisan regulations and policy from growing the list to an unmanageable, unreasonable, and expensive level.

"Essential Health Benefits" should be clearly defined as benefits essential to keep the biological organism alive and in general good health. As these are provided at no cost share to the member, they are a driver of premium expense, and this should be done with prudence. All other benefits can of course be purchased and added to any individual plan or employer group plan, with cost sharing as defined by the purchaser and health plan.

"Medical Necessity" historically has been defined as, "...reasonable and necessary services to protect life, to prevent significant illness or significant disability, or to alleviate severe pain through diagnosis or treatment of disease, illness, or injury." This definition is broad in order to not prescriptively list things that should be included in a reasonable case by case evaluation. However, due to this broad definition it has been intentionally interpreted in a very unreasonable way in order to justify including all care as medically necessary, even elective and cosmetic care.

THE CHALLENGE: This will need to be discussed and addressed as the legislation is being developed. The workgroup should include attorney's, clinicians, and policy individuals who have knowledge of the real life industry impacts of the definitions or decisions of benefits.

Using "medical necessity" as the regulatory stipulation for whether an insurance plan is responsible to pay, or whether a person has to pay out of pocket for services has historically been an accepted process. Again, unfortunately, the government keeps arguing about who gets to decide what is medically necessary and the definition according to the law keeps changing. In this fight, we have at least 2 warring factions. There are the doctors and clinicians who have always been entrusted with knowing what is medically necessary, and we have the lawyers and bureaucrats who want to tell the doctors what is "necessary". The reason this is even a problem is because some procedures will not be covered under these essential benefits unless they are deemed medically necessary.

The Health Care Liberty Plan will:

Strictly define and cap the mandatory benefits that will require an act of congress to be modified.

- Any Federal requirements in this area should be limited to minimal life and basic health coverage. States always have the option to expand their offerings, but it can be regional and can be paid for with State taxes.
- Using "medical necessity" as the regulatory stipulation for whether an insurance plan is responsible to pay, or whether a person has to pay out of pocket for services has historically been an accepted process. The doctors and clinicians who have always been entrusted with knowing what is medically necessary, *shall be reinstated as the authority.*
- Along with a specific list of mandatory benefits, there needs to be a Federally defined list

of terms in order to prevent States from poaching additional Federal tax monies by redefining accepted terminology.

The more well defined these items are, the system will recognize massive efficiency gains. One of the big problems right now is that everyone defines and redefines everything to suit themselves with no thought to the cost or impact on the companies and providers involved. The more custom the regulations are per State, the more complicated it is to setup and manage the automated systems that receive and process claims. This impacts everyone because for every item that needs individual attention, time is added to response and fulfillment.