**Greater New York Hospital Association**
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Kenneth E. Raske, President

August
Twenty-Seven
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Danielle Holahan
Project Manager
New York Health Benefit Exchange
State Department of Health
Corning Tower
Empire State Plaza
Albany, NY 12237

Dear Ms. Holahan:

Thank you for the opportunity to provide input on the selection of a benchmark plan for establishing Essential Health Benefits (EHB) for New York. EHB represents the service categories that must be covered under insurance products sold in the small group and individual markets beginning in 2014. Actual coverage levels for these products will be set in accordance with the four levels of actuarial value set forth in the Affordable Care Act (ACA).

The Department of Health and Human Services (HHS) is affording states considerable discretion in choosing EHB packages, and the State's decision is vitally important as the EHB package chosen will govern health benefits for a significant portion of the population.

HHS guidelines establish four benchmark options for states to choose from in establishing an EHB package:

- Any of the three largest (by enrollment) small group products
- Any of the three largest state employee health benefit plans
- Any of the three largest Federal Employee Health Benefit (FEHB) plans
- The largest commercial non-Medicaid HMO plan operating in the state.

These guidelines actually result in 10 different health insurance products the State may choose from for its EHB. A Milliman analysis of these 10 products in New York included standardized

cost comparisons. Not surprisingly, that analysis indicates that from a cost standpoint, the small group products are more affordable than the other insurance product options.

GNYHA believes that affordability is critically important if we are to achieve the insurance coverage gains expected under the Affordable Care Act (ACA). While cost must of course be measured against adequacy of coverage, we believe that ACA requirements for the 10 categories of service that must be included in the EHB, combined with existing New York State–mandated benefits, provide assurances that any product chosen as the State's EHB benchmark will afford meaningful, comprehensive coverage. Since products currently being purchased by small employer groups are the best indicator of affordability, we recommend that the State adopt the largest small group insurance product as its benchmark plan.

We look forward to continuing to work with you on ACA implementation in New York. If you have any questions about our recommendation, please contact Kathleen Shure at 212-506-5407 or kshure@gnyha.org.

Sincerely,

Kenneth E. Raske
President