

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 Washington

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?

Federal Government Employees Health Association, Inc. Benefit Plan (GEHA)

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.¹

- 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. Wakely analyzed the expected relative cost difference of the benefits of the proposed benchmark plan and GEHA, which is an option for the typicality test, under CFR 156.111(b)(2)(i). The report documents the differences in the new benefits and in the GEHA plan compared to the current benchmark. The report then determined the value, using issuer-provided and Wakely-developed estimates, of the differences in the proposed benchmark plan, relative to the current benchmark plan is 0.09%. Other benefit differences, specifically benefit differences between GEHA and the current benchmark plan, were also estimated and determined to be 0.09% as shown in the report. For further details please see the accompanying actuarial report, including Appendix A which discusses the methodology used to determine these estimates. Since the benefit differences result in the proposed benchmark having the same level of coverage as a typical employer plan (as defined by the Federal GEHA plan), the new benchmark meets the typical employer test.

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?²



Yes



No

7. Which plan or plans were used as the basis to determine the most generous plan for this comparison?

2014 Group Health Cooperative of Washington's Classic Plan for active public employee benefit board (PEBB) employees

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 the State employee plan (PEBB) 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 PEBB plan. Wakely analyzed the expected relative cost difference of the benefits of the proposed benchmark plan and the PEBB plan. The PEBB plan was estimated to have a higher total value (1.0018) than the proposed benchmark (1.0009). Therefore the proposed benchmark plan is less generous than the PEBB plan and meets the requirements of the generosity test. For further details please see Wakely's actuarial report.

¹ 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.

² 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.

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 MSauter
Date: 2024.04.24 22:39:24 -06'00'

Date

04/24/2024

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