



EHA Announces a Lower Cost Plan Option

On April 29, 2013 the EHA Board approved a new plan design that will be available to large and small EHA employers to offer as the benefit plan to any existing or new EHA subgroup. This new plan option will be available with an effective date of September 1, 2013.

The new plan will have a \$4,000 deductible and will cover 70% of expenses until the out of pocket deductible and member coinsurance of \$6,350 is met, and then the plan will cover 100% of expenses thereafter for employee only coverage, with tiers covering dependents generally twice these amounts. The plan will be priced 25% below the cost of the current EHA \$750 deductible plan. A further description of benefits and premium rates follow this announcement.

The Educators Health Alliance (EHA) Board previously announced the development of a lower cost plan(s) to meet needs resulting from health reform developments of shared responsibility requirements for large employers and health insurance exchanges which will be available for small employers. For more information please refer to the following link:

<http://www.ehaplan.org/sites/default/files/Educators%20Health%20Alliance%20ACA%20Low%20Cost%20Plans%20Announcement.pdf>

The shared responsibility requirements for large employers to avoid shared responsibility payments or 'penalties' include the requirement that a benefit plan offered by a large employer meet or exceed a benefit minimum of 60% as calculated on a federal Minimum Value (MV) calculator. The new EHA benefit plan meets this minimum value requirement.

A word about Bronze plans. Under the Affordable Care Act (ACA) benefit plans in the statewide 'single risk pools' of insurers that participate in the health insurance exchanges will be limited to only plans designated as Platinum, Gold, Silver and Bronze that are determined on a federal Actuarial Value (AV) calculator as having actuarial values of 90%, 80%, 70%, and 60%, respectively. This calculator approximates the portion of medical expenses that are paid by the health insurance coverage. While our new \$4,000 deductible coverage is not part of a so designated 'single risk pool', (our plan is rather part of the EHA), we have calculated the actuarial value of 60% for this plan on the federal actuarial value calculator. So while it is not officially a "Bronze" plan, it is a plan that has benefit coverage with a similar actuarial value as plans that will be designated as Bronze.

If you have any further questions please contact Greg Long EHA Field Representative greg@ehaplan.org or 402-440-1358, or your BCBSNE Regional Representative.

Beth Kernes Krause
Chair EHA Board of Directors