

Coverage And Care

An Introduction to the Essential Health Benefits

Introduction

It's been more than 13 years since the Affordable Care Act (ACA) established the Essential Health Benefits (EHB), a set of rules defining 10 categories of health services that most insurance policies must cover. By requiring most health plans to provide a minimum set of benefits, including people covered through Medicaid Expansion, EHB's goal is to ensure that more than 40 million people have comprehensive health insurance coverage for the services they need. While the federal government established these broad categories, states have the freedom to choose the specific services within them. Because so many decisions are left up to the states and insurers, there are many differences in coverage depending on where a person lives, leading to unequal access to services like maternity care, mental health, prescription drugs, and more. A major concern from health advocates is that EHBs have not been revised since their inception and these coverage standards often fail to meet people's current essential health care needs.

Current EHB Categories:

- Ambulatory patient services (outpatient services)
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services (those that help patients acquire, maintain, or improve skills necessary for daily functioning) and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

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Fortunately, the ACA provides a clear path to address these inequities and gaps in coverage by directing the Secretary of HHS to periodically review and update the Essential Health Benefits, while maintaining the ability to define the EHB beyond the original ten categories. The ACA specifically directs the Secretary to regularly review and update the EHBs, taking into account barriers people are facing in accessing the services they need, changes in medical or scientific advancement, gaps in EHB coverage that need to be addressed, and the cost of updating EHB standards.

Existing Gaps and Inconsistencies

While allowing states to select the specific services under each EHB category was intended to provide flexibility for addressing regional health needs, the lack of detailed federal guidelines and regular review of the EHBs leaves people without the comprehensive health insurance they need today. For example:

- **Mental Health and Substance Use Disorder (SUD) Services:** The EHBs generally require coverage of mental health and SUD services; however, the standards are so broad that access to life-saving SUD treatment medications varies widely and is dependent on where a patient lives and what plan they choose.
- **Prescription Drugs:** Current guidelines require health plans to only cover, at minimum, one drug per U.S. Pharmacopeia (USP) class and category. Given that this classification system was designed for Medicare Part D, it doesn't capture the full range of drugs a person needs – such as prescriptions for pediatric care or reproductive and sexual health.
- **Maternity and Newborn Care:** Due to the lack of clarity around EHB coverage for maternal health care, many patients encounter limits on prenatal and delivery services coverage, inconsistent coverage of breastfeeding and lactation services, a lack of access to home-based postpartum care, and unnecessary restrictions on midwives and doula services.
- **Pediatric Services:** The current EHB framework does not clearly define pediatric services beyond preventive services and oral and vision care. Private coverage for many children is largely based on insurance plans that were designed for adults.

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- **Gender Affirming Care:** Even among states taking action to improve access to these services, covered benefits vary considerably across states and health insurance plans. Only two states cover the full range of gender-affirming services, and many health plans include exclusions for coverage of gender-affirming care.

Updating EHBs can address these gaps, and it can serve as an effective tool for addressing persistent health inequities like oral health. For example, Black Medicaid enrollees, and those who went without dental coverage for over a year, reported the greatest improvement in oral health when Medicaid expansion in Michigan allowed more adults to obtain dental coverage. However, current rules exclude adult dental coverage from EHB plans. The urgency to act is further underscored by the unwinding of Medicaid's continuous eligibility requirements, which is expected to result in millions of people transitioning to marketplace coverage and other private health insurance plans that must adhere to EHB requirements, compounding the inequities in access to essential services.

What can HHS Do Now?

In December of 2022, the Biden administration solicited input from stakeholders across the country on ways to improve EHBs. Through this official request for information, the administration received over 700 comments urging HHS to update the EHBs. In July of 2023, Community Catalyst and 53 other organizations submitted a letter to the Secretary restating this need to update the EHBs, however, the administration has yet to take action. Given the Secretary's clear regulatory authority, and the remaining gaps in coverage listed above, HHS should take immediate action to:

1. **Institute a federal minimum standard of coverage that applies to every EHB category.** The EHB standard was intended to provide a nationwide floor for coverage by most health plans, but the current approach to defining this floor was not detailed enough to prevent inequitable access to critical services. Robust federal definitions would ensure everyone can access the health care services they need while maintaining flexibility for states to provide additional coverage to meet a local need.

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- 2. Remove exclusions and establish new EHB categories where appropriate.** As stated previously, the initial ten EHB categories do not capture all of the health care services that a person needs today or create unnecessary exclusions – as we see with dental coverage for adults. The Secretary has clear authority to remove existing exclusions and add necessary categories through the review process, ensuring everyone has access to critical health care services regardless of the insurance plan they choose.
- 3. Establish a permanent structure for reviewing and updating EHBs.** Moving forward, HHS should ensure the EHB review and update process is regular, transparent, equitable, and includes meaningful opportunities for stakeholder engagement. We recommend HHS establish a community advisory council comprised of patients and consumer voices to support HHS with the review process, with appropriate systems in place to ensure people from underserved communities can meaningfully participate.

We are now entering the twelfth marketplace open enrollment period in which dental care for adults is not included as an essential benefit and many other EHB categories insufficiently address people's needs. These coverage gaps have resulted in far too many people either delaying or foregoing medically necessary care or going into medical and dental debt.

The Biden administration can and should change this by addressing gaps and inconsistencies in essential health benefits coverage. Beyond oral health, the Biden administration also has the power to update services related to maternal health, mental health, prescription drugs, and health care for transgender people. To learn more, see Community Catalyst's [EHB resource page](#).