



American College Health Association

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April 16, 2014

Mr. Robert Imes
Senior Advisor on Policy
Centers for Medicare & Medicaid Services
The Center for Consumer Information & Insurance Oversight
200 Independence Avenue
Room 739 H
Washington, DC 20201

RE: 45 CFR

C. Part 156 – Health Insurance Issuer Standards Under the Affordable Care Act, Including Standards Related to Exchanges,
2. Subpart B –EHB Package,
i. Levels of Coverage (§ 156.140)

Dear Mr. Imes:

On behalf of the American College Health Association (ACHA), I am writing regarding the actuarial value (AV) requirements for individual plans – specifically the requirement that the actuarial value for student health insurance plans must be within 2 percentage points of one of the four metal tiers. While ACHA acknowledges that establishing parameters for actuarial values is important to allow consumers to compare plans on a more equal footing (in terms of plan benefits and member cost-sharing) we do have concerns related to the impact the requirement is having on student health insurance plans. ACHA has heard from several member institutions that after calculating the AV based on the provision of the Essential Health Benefits to a standard population using the AV calculator (§ 156.135), the AV of the school plans falls outside one of the metal parameters. This is a quandary because schools in this position (with assistance from their carrier) must make plan adjustments to either increase or decrease their AV to fall within the de minimis variation of +/- 2 percentage points.

When the AV of the plan rests between metal tiers, the school must make one of two difficult choices. On one hand, the plan can be adjusted upwards to the next metal tier. However, given adjustments already required for 2014/15, the additional cost burden of making the adjustment to achieve a higher AV may well be prohibitive. The other option is for the school to downgrade plan benefits to fall within the next lowest metal tier. Regrettably, ACHA has learned of multiple schools that find themselves in this position. Indeed, some student health insurance plans now provide coverage beyond the “platinum” level. It would appear that these plans will also need to reduce benefits if they have an AV greater than 92%. For example, one school whose benefits exceeded the platinum level was forced to reduce benefits to meet the 2 percentage point variation without the benefit of lower premium. In this case the AV requirement clearly disadvantaged the student consumer.

ACHA has always been a strong proponent of high quality and comprehensive student health insurance coverage and believes many of the changes implemented as a result of the ACA also align with this goal. Therefore, ACHA believes that the impact described above is an unintended consequence of the ACA. While ACHA understands that it is important for students to be able to accurately compare student plans with other insurance options that may be available to them through AV metal tier ratings, we believe it is counter-intuitive for any student plan to be forced to *decrease* benefits in order to meet the specific AV requirements.

ACHA respectfully requests that student insurance plans be given some flexibility in regards to their AV. We recommend that student health insurance plans be permitted to remain at the calculated AV, even if that AV falls between two metal tiers, and that they be permitted to report the actual AV of the plan, along with the metal level that is exceeded. This approach would still allow the metal tiers to be used as a gauge, but would also give schools the flexibility to continue offering a plan designed specifically to meet the needs of the student population without sacrificing coverage.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Patricia L. Ketcham". The signature is written in black ink and is positioned above the typed name and title.

Patricia L. Ketcham, PhD, CHES, FACHA
President
American College Health Association