

California's Essential Health Benefits: A Comprehensive Guide



California Association of
Health Plans

California's Essential Health Benefits (EHBs) were established in 2014 by California policymakers and stakeholders over robust discussion, research, and analysis with the goal of creating a comprehensive package of health care services that benefit the greatest number of people while keeping health care affordable.

The Affordable Care Act (ACA) required states to select a "benchmark plan" covering EHBs for each plan sold in the individual and small group markets.

Beginning in 2014, health plans in California and nationally have been required to cover the following 10 categories of service under the ACA:

- Ambulatory patient services
- Hospitalization
- Mental health and substance use disorder services
- Rehabilitative and habilitative services and devices
- Preventive and wellness services
- Emergency services
- Maternity and newborn care
- Prescription drugs
- Lab services
- Pediatric services

California's health plans continue to follow the EHBs guidelines in providing high-quality, affordable health care coverage to millions of Californians.



Key Features of California's Benchmark EHBs Plan

California in 2014 selected the Kaiser Foundation Health Plan Small Group HMO 30 plan as its "benchmark" plan for EHBs in the state.

The plan aims to benefit the most Californians possible, while also addressing affordability.

The benchmark plan:

- Is a Department of Managed Health Care-regulated plan and is subject to the Knox-Keene Act, requiring robust coverage of services and providing many consumer protections.
- In 2014 was the largest plan by enrollment among the three largest small-group insurance products in the state's small-group market.
- Includes coverage of "Medically necessary basic health care services".
- Includes comprehensive coverage of hospital services, physician services, and prescription drug coverage.
- Pediatric dental and vision benefits included.
- Annual out-of-pocket maximum in California may be lower than set by the federal government, depending on an enrollee's income and the ACA coverage level of the policy.
- Health plans must cover outpatient prescription drugs consistent with California law.

Facts About EHBs Coverage in California

- Medi-Cal is also required by the ACA to cover a set of EHBs.
- Medi-Cal EHBs are separate from the EHBs that commercial health insurance covers under the ACA.
- Medi-Cal is also required to cover the 10 EHBs categories.
- The ACA requires coverage of EHBs for almost all enrollees in the individual and small-group markets.
- Large group, self-insured and grandfathered plans and policies are exempt from the EHB requirements.

California's health plans continue to follow the EHBs guidelines and provide robust, affordable health care coverage. As lawmakers and other stakeholders consider updating California's EHBs package, health plans stand ready to be key contributors to maintaining California's comprehensive and affordable health care coverage and EHBs.



Source: [California Health Benefits Review Program \(CHBRP\)](#)

[California Health Care Foundation \(CHCF\)](#)