From the STOP Obesity Alliance

Weight and the States

A Policy Research Bulletin

March 2012

Dear State Leader,

Welcome to the first 2012 installment of the Strategies to Overcome and Prevent (STOP) Obesity Alliance's "Weight and the States" bulletin. As we continue to follow developments on the road to health reform implementation, one issue we have watched closely surrounds the development of guidance from the Department of Health and Human Services (HHS) to the states on establishing essential health benefit (EHB) packages for state insurance exchanges.

Considering the significance of benefit design to the types of health care services that ultimately will be available to participants through the exchanges, the Alliance convened an EHB Task Force in 2011 to recommend what should be included for treating obesity and related co-morbidities. The group's recommendations, submitted to HHS and the Institute of Medicine in late 2011, centered on the belief that obesity and weight-related interventions should not be treated differently than those for any other health condition.

Consider the following:

- The direct medical cost of obesity nationally is estimated at $168.4 billion annually.[1]
- Obesity is a risk factor for many chronic diseases, such as type 2 diabetes, heart disease, and certain cancers.
- The increased costs associated with obesity and its related chronic diseases have led to huge increases in medical spending, and are challenging already cash-strapped state budgets.[2]

Instead of offering specifics, however, HHS determined that individual states are in the best position to determine their own needs. To help, HHS released additional guidance to help establish a benchmark plan by providing some example plans. Services covered by that benchmark plan will set the minimum EHB that all small group and non-group plans in the state must cover. HHS identified 153 private insurance plans – 3 for each state and the District of Columbia – that have been recognized as state benchmark plans for state officials to review and possibly adopt for their health exchange and essential health benefit plan. This list of selected plans is available at www.healthcare.gov.

For those of us concerned about the availability of prevention and treatment services for obesity, overweight and weight-related chronic disease, we thought it would be helpful to state leaders to conduct a review of benchmark plans to see what in fact is being covered for weight-related services and interventions.

We worked in collaboration with the Obesity Care Continuum - a coalition of the Academy of Nutrition and Dietetics, American Society for Metabolic and Bariatric Surgery, Obesity Action Coalition and The Obesity Society - to examine the health insurance products offered in the benchmark plans to determine what coverage is currently available for weight-loss programs and bariatric surgery, as these are the existing categories reported to healthcare.gov for obesity coverage.

Our survey of these 153 insurance products revealed the following trends:

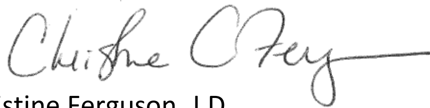
- Few plans cover bariatric surgery
- Even fewer plans cover weight-loss programs

- Some states will face the tough choice of determining whether to include bariatric surgery and/or weight-loss programs

You can read more about the outcomes of this research and what's available in your state by clicking here.

We would be pleased to hear from you on these issues. Please email us at obesity@gwu.edu with questions or find more information at www.stopobesityalliance.org.

Sincerely,



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Review of Top-Three Enrolled Health Insurance Products

Background

The Affordable Care Act instructed Secretary Sebelius to require health plans to meet Essential Health Benefit (EHB) standards by 2014. In December 2011, the Secretary decided to give flexibility to the states by allowing exchanges to determine the benefits package by selecting an existing plan as a "benchmark" for determining the items and services included in its EHB package. States could choose a "benchmark" from among the following health insurance plans:

- the largest plan by enrollment in any of the three largest small group insurance products in the State's small group market;
- any of the largest three State employee health benefit plans by enrollment;
- any of the largest three national Federal Employees Health Benefits Program (FEHBP) plan options by enrollment; or
- the largest insured commercial non-Medicaid Health Maintenance Organization (HMO) operating in the State.

On January 25th HHS released a list of the three largest small group insurance products in each state. Any one of the top-three enrolled small group insurance products may be selected by a state as their "benchmark" plan. The State's EHB package must then meet or exceed the coverage of the selected "benchmark" plan.

The George Washington University research team and the Obesity Care Continuum were able to review these plans – as posted on www.healthcare.gov – to determine their coverage of bariatric surgery and weight-loss programs.[1]

Methodology and Overview

The STOP Obesity Alliance Research team at the George Washington University reviewed coverage of bariatric surgery and weight-loss programs in the top-three enrolled small-employer health plans in each state using a coverage database based on information insurers submitted to the federal government regarding coverage information by product.

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[1] HHS requires insurers to report coverage information using the Rates and Benefits Information System (RBIS) to the Centers for Medicare & Medicaid Services, Center for Consumer Information and Insurance Oversight (CCIIO). The definition provided to insurers determining coverage of "weight-loss programs" is that coverage consists of "reimbursement or discounts applied to charges associated with participation in weight-loss programs." This broad definition could encompass reimbursement for a wide array of weight loss programs from gym memberships to intensive weight loss programs to commercial weight loss programs.

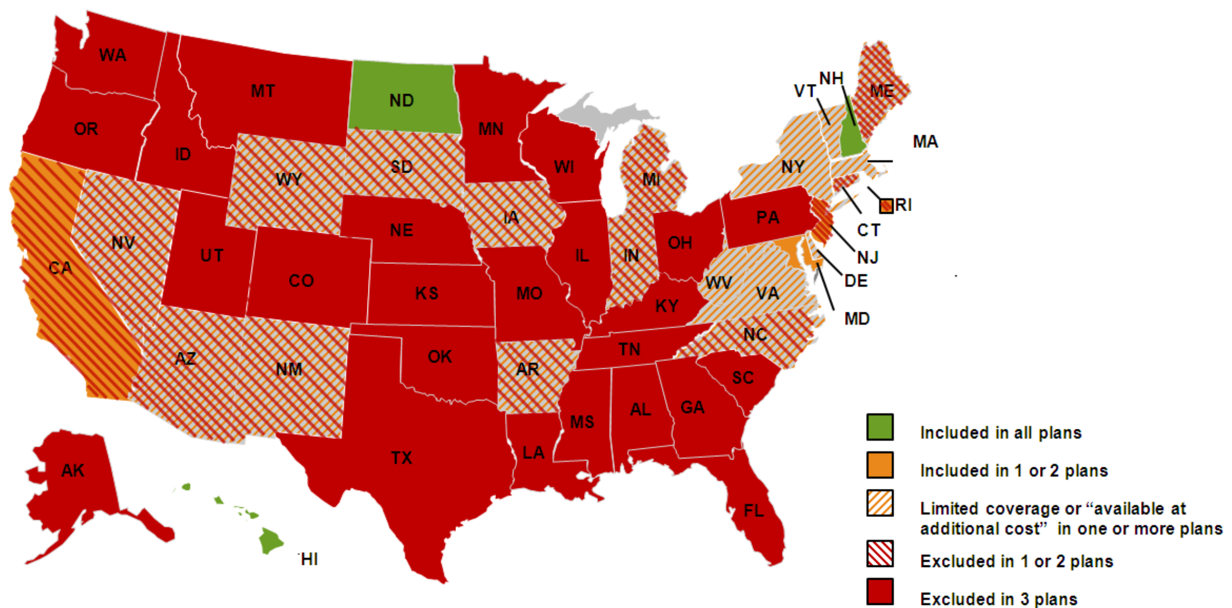
Among the top-three enrolled small group insurance products, we found limited coverage of bariatric surgery and practically non-existent coverage of weight loss programs. There was also widely varying coverage even within states, for example some state products included bariatric surgery and/or weight-loss programs, while others did not.

Bariatric Surgery Coverage

The review of the benchmark plans revealed that 20 products include coverage of bariatric surgery; 89 exclude coverage; 20 offer limited coverage; 7 offer coverage at additional cost and 17 did not have data available.

Nineteen states have no plans that cover bariatric surgery. Plans in 18 states impose restrictions such as limiting benefits or imposing additional costs to purchase bariatric coverage. In six states (California, Maine, Maryland, Michigan, New Jersey and Rhode Island) coverage is included in one or two plans. **In only three states (Hawaii, North Dakota and New Hampshire) do all three of the insurance products cover bariatric surgery.**

Map 1: State Coverage of Bariatric Surgery



Weight-Loss Program Coverage

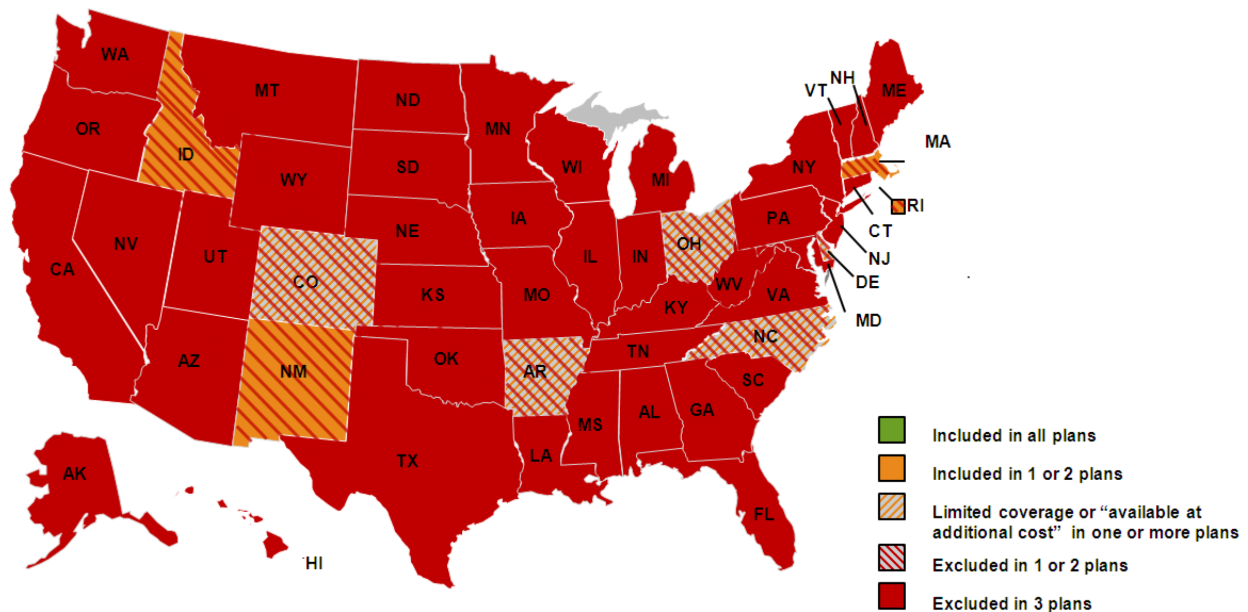
HHS requires insurers to report coverage information using the Rates and Benefits Information System (RBIS) to the Centers for Medicare & Medicaid Services, Center for Consumer Information and Insurance Oversight (CCIIO). The definition provided to insurers determining coverage of "weight-loss programs" is that coverage consists of "reimbursement or discounts applied to charges associated with participation in weight-loss programs." This broad definition could encompass reimbursement for a

wide array of weight-loss programs from gym memberships to intensive weight-loss programs to commercial weight-loss programs.

Only four of the 153 insurance products reviewed include coverage of weight-loss programs; 124 exclude coverage, 7 offer limited coverage, and 17 did not have data available. There is no state in which all three insurance products cover weight-loss programs. In 30 states, **no plan** covers weight-loss programs; 11 states' plans have "no data available" and five states have limited weight-loss program benefits.

In five states, plans offer limited weight-loss program benefits or impose additional costs to purchase weight-loss program coverage. In four states (Idaho, Massachusetts, New Mexico and Rhode Island), one or more plans offer coverage without restrictions. **Only in Rhode Island do two of the top three products cover weight-loss programs.**

Map 2: States Coverage of Weight-loss Programs



The Bottom Line

Determining the Essential Health Benefits package will be a significant undertaking in every state. The growth in chronic disease will make these decisions even more challenging as it consumes 75 cents of every health care dollar. One-third of Americans are obese, two-thirds are obese or overweight and these numbers are expected to continue to grow. Obesity is a key factor in most chronic disease and managing the cost of health insurance depends on approaching this issue effectively. States and exchanges have some tough decisions to make in the coming months. These findings suggest that states

and exchanges will need additional support and information as they look at both the short- and long-term impact of obesity prevention and treatment. The Alliance's next State Bulletin will focus on how states might consider obesity when making the tough decisions on the state Essential Health Benefits package.

Sources

[1] Wang Y, et al. Health and economic burden of the projected obesity trends in the USA and UK. *Lancet.* 2011; 378:815-25.
[2] Flegal KM, Graubard BI, Williamson DF, Gail MH. Excess Deaths Associated With Underweight, Overweight, and Obesity. *JAMA* 2005; 293: 1861-1867. Available at http://jama.ama-assn.org/content/293/15/1861.short