



## Center for Medicaid and CHIP Services

---

### CMCS Informational Bulletin

**DATE:** November 20, 2012

**FROM:** Cindy Mann, Director  
Center for Medicaid and CHIP Services (CMCS)

**SUBJECT: Release of State Medicaid Director Letter on Essential Health Benefit Provision**

Today the Centers for Medicare & Medicaid Services released a group of rules that will help states continue their work under the Affordable Care Act preparing for the implementation of Affordable Insurance Exchanges and the coverage changes that will become effective in January 2014. Among the rules released today is a proposed rule that provides guidance on the Essential Health Benefits that will be provided to individuals receiving coverage through the Exchange.

In coordination, the Center for Medicaid and CHIP Services has released a letter to State Medicaid Directors to provide guidance to states on the use of “benchmark” or Alternative Benefit Plans for the new eligibility group of low-income adults and the relationship between Alternative Benefit Plans and Essential Health Benefits. The State Medicaid Director letter also provides information about how existing Medicaid law interacts with Alternative Benefit Plans and highlights areas where CMCS intends to do future rulemaking regarding the application of Essential Health Benefits to Medicaid. We expect the proposed regulation on Essential Health Benefits in Medicaid will be published shortly.

We look forward to engaging states and other stakeholders as we move closer to implementation of the Medicaid expansion in 2014. We will be scheduling webinars to review this guidance; information about the webinars will be provided soon. For additional information, please contact Barbara Edwards, Director of the Disabled and Elderly Health Programs Group at [barbara.edwards@cms.hhs.gov](mailto:barbara.edwards@cms.hhs.gov).

The proposed rule on Essential Health Benefits in the individual and small group markets can be found at the following link: <http://www.ofr.gov/inspection.aspx>

The State Medicaid Director letter can be found at the following link:  
<http://www.medicare.gov/Federal-Policy-Guidance/Federal-Policy-Guidance.html>