



April 11, 2023

Kansas Insurance Department
1300 SW Arrowhead Rd
Topeka, KS 66604
Kid.publiccomment@ks.gov

Re: EHB-Benchmark Plan Selection

Thank you for providing Blue KC with the opportunity to comment on the recommendation to add the following benefits as Essential Health Benefits in the State of Kansas beginning with Plan Year 2025. The recommendations made by Lewis & Ellis include: Hearing aids by prescription for insureds with severe or profound hearing loss, and over the counter (OTC) hearing aids for insureds with mild or moderate hearing loss; medically necessary bariatric surgery for insureds with a body mass index (BMI) of 35 or higher and an obesity-related comorbidity; and medically necessary applied behavioral analysis (ABA) for insureds with autism spectrum disorder (ASD).

The Kansas Insurance Department is keenly aware that premiums in the individual, small group and large group markets have risen substantially in the last several years. Many of those in the individual market have government subsidized coverage and are price insensitive to increased health care costs. However, Kansans in the individual market and Kansas employers struggle with annual renewal rates that reflect the increasing cost of health care. While our Blue KC mission is to improve the health and wellness of our members, we must do so in a manner that addresses the affordability of insurance.

Our customers in the individual market and small group market have not requested that we add the proposed benefits listed above. We and our brokers are the closest to those customers and what we hear from our customers is "what can we do to lower the cost of their insurance". While the Department surveyed other states to determine if they cover health services not in the Kansas EHB benchmark plan, we do not believe that a conclusion can be drawn that Kansans are willing to pay more for insurance to cover those services. In addition, it is unclear whether the Department or Lewis & Ellis determined our Kansas EHB benchmark plan covers services that the other states do not. We do not believe our customers and your constituents desire to pay for the privilege of having the same coverage or better coverage than other states.

While we appreciate the meeting that was held and the research that Lewis & Ellis did, we believe that the ultimate purchasers of health insurance have not been represented or



surveyed to determine if they are willing to pay additional premium for these proposed benefits. Clearly requiring additional benefits will increase premiums and could increase insurance company revenue but that is not our mission. Our mission is to ensure our community has access to affordable health care coverage.

Bariatric Surgery

With respect to our large groups with over 100 employees, several Kansas large groups do cover bariatric surgery, but it is the exception. We do not cover bariatric surgery in the Kansas individual market or Kansas employee group market for employers with under 100 employees.

We believe additional research should be done to determine the efficacy of nutritional counselling before requiring carriers to cover bariatric surgery. Bariatric surgery is more dangerous due to the co-morbidities of the population that would be eligible for the benefit. We would request the consultants look at the data and the costs of this less intrusive way of helping with weight management.

We also believe the estimated price impact provided by the consultant is too low for bariatric surgery and does not represent the true cost for small employers and individuals who purchase their own health care coverage.

Our PMPM estimate for bariatric surgery was approximately \$1.96 compared to Lewis & Ellis’s estimate of \$0.20-0.25.

Below are some additional resources that should be considered in determining the cost of bariatric services prior to mandating its coverage.

Sources for higher utilization of bariatric surgery:

<https://asmbs.org/resources/estimate-of-bariatric-surgery-numbers>

<https://renewbariatrics.com/bariatric-surgery-statistics/>

Type	What	Avg Cost (2015 dollars)	Range	Avg Cost (Est 2025 dollars)	% of each type
Sleeve Gastrectomy	Remove a portion of stomach	\$16,800	\$9,000 to \$27,000	\$20,000	61.40%
Gastric Band	Restrict stomach with band	\$14,532	\$8,700 to \$29,000	\$18,000	1.10%
Gastric Bypass (roux-en-Y), and variants	Smaller stomach, shortened intestines	\$25,571	\$15,000 to \$35,000	\$31,000	17.00%
https://www.obesitycoverage.com/insurance-and-costs/how-much/				\$22,325	79.50%

Hearing Aids

Large employers that cover hearing aids today have age restrictions and dollar restrictions. If hearing aids are considered EHBs, dollar limits and age restrictions would no longer be available for these employer plans and the limits would need to be removed resulting in the employer either eliminating the benefits or shifting more cost to their employees.

We do not cover hearing aids in the Kansas individual market or Kansas employee group market for employers with under 100 employees.

We are very concerned that OTC hearing aids are being recommended. The consultants admitted at the meeting that no other state had mandated OTC hearing aid coverage either through the legislature or through an EHB mandate. As we discussed, allowing individuals to purchase hearing aids with no clinician oversight could lead to fraud and abuse. An individual could purchase the OTC hearing aids, submit the receipt for reimbursement with the insurance company and later return the hearing aids resulting in satisfying the deductible/out of pocket maximum or if the deductible/out of pocket maximum was previously satisfied, just pocketing the money. A second member of the family could make the same purchase and return, satisfying the family deductible/out of pocket maximum without being out of pocket any money. In subsequent years hearing aids could be purchased for other family members, returned and help satisfy the member's deductible and family out of pocket maximum.

In addition, news articles and the media portrayed that OTC hearing aids would be cheaper than hearing aids purchased from a clinician. However, below is the information I provided at the meeting indicating that the retail cost of these hearing aids is much more expensive than anticipated. Also note that some OTC hearing aids are not available for one ear. You must purchase at least 2 hearing aids even if only one is needed, resulting in health care waste.

Model	Price (per pair)	Price (each)	Warranty
<u>Omni</u>	\$2,998.00	\$1,499.00	2 years
<u>Sony E10 Self-Fitting OTC Hearing Aid</u>	\$2,599.98	not available	not stated
<u>Eargo7</u>	\$2,590.00	not available	2 years
<u>Eargo 6</u>	\$2,450.00	not available	1 year
<u>Spirit</u>	\$2,398.00	\$1,199.00	2 years
<u>Sony C10 Self-Fitting OTC Hearing Aid</u>	\$1,999.98	not available	not stated
<u>Lucid Fio</u>	\$1,999.98	not available	not stated
<u>Soundwave Sontro</u>	\$1,999.00	not available	1 year



<u>The Mini</u>	\$1,998.00	\$999.00	3 years
<u>Enhance Select 200</u>	\$1,995.00	not available	3 years
<u>Eargo 5</u>	\$1,750.00	not available	1 year
<u>Lucid Engage</u>	\$1,599.98	not available	not stated
<u>Enhance Select 100</u>	\$1,595.00	not available	3 years
<u>NeoHiFi</u>	\$1,550.00	not available	1 year
<u>The Wave</u>	\$1,398.00	\$699.00	3 years
<u>Volt</u>	\$1,199.89	\$599.99	1 year
<u>Enhance Select 50</u>	\$1,195.00	not available	3 years
<u>Neo</u>	\$999.98	\$499.99	1 year
<u>Air</u>	\$799.98	\$399.99	1 year
<u>Lucid Enlite</u>	\$498.00	not available	1 year

We believe that the cost estimate provided by Lewis & Ellis is too low. With the higher cost for OTC hearing aids, our PMPM estimate is \$0.83 compared to Lewis & Ellis estimate of \$0.24-0.49.

Autism EHB

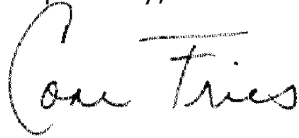
We also are concerned that the EHB mandate for ABA therapy would be inconsistent with current Kansas autism law. For example, K.S.A 40,2,194 includes a definition of autism. Would that same definition of autism apply to the EHB autism mandate? If not, would autism be considered a mental health condition subject to federal mental health parity. Would carriers be allowed to require that ABA therapy be provided by autism service providers as defined in the statute? Could carriers require a treatment plan as permitted under the statute? Would the ABA EHB pre-empt the provisions of K.S.A. 40-2,194 and if so, for all commercial markets or just certain markets?

Conclusion

We appreciate the Department giving us the opportunity to provide information they may not have previously considered. Mandating coverage of these health services needs to be thoroughly vetted by Kansas employers and consumers who pay for the cost of the health care coverage. We believe that additional conversation and research is needed prior to enacting such a mandate. Delaying this decision for an additional year is necessary to provide the time to gather more data and have these conversations. Gathering comments from a

limited number of stakeholders and having the Department review the comments 30 days before the application must be submitted is not enough time for the Department to fully consider and vet the important issues above.

Respectfully,



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