

Importance of Defining Habilitative Services for People with Disabilities

Starting January 2014, the Affordable Care Act (ACA) requires that all qualified health plans offered in the individual and group insurance markets and Medicaid benchmark plans cover 10 categories of the Essential Health Benefits (EHBs). These EHBs include habilitative services and devices that are traditionally not covered by many private health insurance plans (1). Many existing insurance plans only cover rehabilitation services like physical therapy or speech therapy. This applies when skills have been lost due to an illness or injury. Since habilitative services are not covered, individuals that need the same services but have not had a stroke or suffered an illness, end up paying more.

Habilitative services focus on building new skills and functions, not just restoring lost skills (e.g., a speech therapist providing speech therapy to a 3-year old child with autism who has never had speech). **Rehabilitative services**, on the other hand, usually involve regaining skills that have been lost due to a stroke, head injury or another illness (e.g., a speech therapist providing speech therapy to a 3-year old to regain speech after a traumatic brain injury) (1). Habilitative services are important for people with developmental disabilities. Covering these services in the EHBs is an important step to better meet their needs.

Medicaid's definition of habilitative services: Services designed to assist participants in acquiring, retaining and improving the self-help, socialization, and adaptive skills necessary to reside successfully in home and community-based settings (2).

The Base Benchmark Plan

States have four options for choosing a “base benchmark plan” (3):

1. The largest enrollment plan in the state's small group market
2. One of the state's three largest employee plans
3. One of the three largest Federal Employees Health Benefit Program Options
4. The state's largest non-Medicaid HMO (Health Maintenance Organization)

If a state's **base benchmark plan** does not cover any one of the 10 Essential Health Benefit categories, the plan must fulfill the missing category from another possible benchmark plan (3).

The U.S. Department of Health and Human Services (HHS) recognizes that many existing health plans across the nation do not include habilitative services. As a result, HHS issued the Essential Health Benefits Bulletin, which offers guidance to the states in determining an EHB benchmark plan (4). Habilitative services are still not well defined. Confusion still exists over what exactly is covered by the benefit.

HHS has proposed two options to help:

1. A plan would be required to offer the same services for habilitative needs as it offers for rehabilitative needs. Plans covering services such as physical therapy, occupational therapy, and speech therapy for rehabilitation must also cover those services equally for habilitation (4).
2. Plans would provide to HHS selected habilitative services that they would cover (4).

States are taking on this challenging question of defining habilitative services as they continue to determine their EHB benchmark plans. There may be an opportunity to help states arrive at a definition of habilitative services that serves the disability community well.

References:

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