

Brief Notes

News for
Brokers and Consultants

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Applies to: All markets

Federal health care reform requires coverage for certain women's preventive services in nongrandfathered plans

The Women's Preventive Services provision of the federal Affordable Care Act makes coverage for certain services, including well-woman visits, support for breastfeeding, contraception and domestic violence screening, available without cost sharing in nongrandfathered health plans.

For your reference, Horizon Blue Blue Shield of New Jersey has included questions and answers *here* about the Women's Preventive Services provision.

If you have any questions, please contact your Horizon BCBSNJ sales executive.

Horizon BCBSNJ offers affordable and integrated medical, dental and prescription drug plans. Contact your sales executive today to learn more.



Ready for Health Care Reform

From the Office of Health Care Reform at Horizon Blue Cross Blue Shield of New Jersey

July 6, 2012

Questions and Answers: Women's Preventive Services

Please refer to the following questions and answers:

Q1. What is the Women's Preventive Services provision of the health care reform law?

A1. The Women's Preventive Services provision of the federal Affordable Care Act makes coverage for certain services, including well-woman visits, support for breastfeeding, contraception and domestic violence screening, available without cost sharing in non-grandfathered health plans.

You can find a full list of the preventive services included under this provision and how often they are covered at: <http://www.healthcare.gov/news/factsheets/2011/08/womensprevention08012011a.html>.

Q2. When are benefit changes effective?

A2. For Horizon Blue Cross Blue Shield of New Jersey groups that offer customized benefit plans, these benefit changes become effective upon a group's plan year starting on or after **August 1, 2012**.

For the following Horizon BCBSNJ customers, these benefit changes become effective on **January 1, 2013**:

- Individual subscribers.
- Small employer groups (two to 50 employees).
- Groups of 51 to 99 employees that offer standard benefit plans.

Q3. If my plan has out-of-network benefits, how will Women's Preventive Services be covered?

A3. The women's preventive health services outlined in Q&A 1 will be covered in full (100%) for in-network services only. Standard out-of-network benefits (deductibles and coinsurance) will apply for services received from out-of-network service providers.

Q4. To whom does the provision apply?

A4. The Women's Preventive Services provision applies to females covered under health plans that are affected by the Preventive Services provision of federal health care reform.

Q5. Can groups opt out of the federal requirements of the Women's Preventive Services provision?

A5. Generally, no. However, certain entities may be exempt from covering contraceptive services under the Women's Preventive Services provision.

Certain religious entities that meet the federal definition of a "religious employer" have the choice to buy or sponsor group health plans that exclude contraceptive services, if that coverage is inconsistent with their religious belief. **Please read Q&A 6 for more information about the federal criteria that a "religious employer" must meet under the Women's Preventive Services provision.**

Religious entities that do not meet the federal criteria may still be eligible for a one-year safe-harbor from covering the contraceptives. These classes of employers are referred to as "religious organizations" and may be eligible for the safe-harbor, if they meet certain eligibility conditions and complete a safe-harbor certification form.

Q6. According to the federal Women's Preventive Services provision, what is a "religious employer" and what is a "religious organization?"

A6. Under the Women's Preventive Services provision, a **religious employer** must meet all the criteria below:

- The inculcation of religious values is the purpose of the organization.
- The organization primarily employs persons who share the religious tenets of the organization.
- The organization serves primarily persons who share the religious tenets of the organization.
- The organization is a nonprofit organization as described in section 6033(a)(1) and section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.



Horizon Blue Cross Blue Shield of New Jersey

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(Continues)

Questions and Answers: Women's Preventive Services continues

Horizon BCBSNJ will allow a "religious employer" to be exempt from covering contraceptive counseling and services for plan years beginning on or after **August 1, 2012**, upon the group's request only and upon successfully meeting the definition of a "religious employer." If a religious employer does not meet the federal guidelines to claim the exemption from covering the contraceptive services, it may be eligible for the temporary one-year safe-harbor.

Religious organizations:

Horizon BCBSNJ will accept information of whether a group is a nonexempt group health plan established or maintained by a religious organization, upon notice from the group that it meets all the following criteria:

- The organization is organized and operates as a nonprofit entity.
- From **February 10, 2012** and on, contraceptive coverage has not been provided at any point by the group health plan established or maintained by the organization, consistent with any applicable state law, because of the religious beliefs of the organization.
- Will provide all subscribers within the plan a notice, which states that contraceptive coverage will not be provided under the plan for the first plan year beginning on or after **August 1, 2012**.
- The organization self-certifies that it satisfies bullet points 1 through 3 above, and documents its self-certification on the applicable form.

Q7. How does the Women's Preventive Services provision affect New Jersey's Prescription Female Contraceptive mandate?

A7. State and federal mandates are viewed separately. The state definition of a religious employer applies to the state mandate and the federal definition of a religious employer applies to the federal mandate.

Q8. Why are these services covered with zero dollar cost sharing?

A8. Access to care is one of the main promises of the federal health care reform law, the Affordable Care Act. Many of the 1.3 million New Jersey individuals who are currently uninsured may be able to get health insurance over the next three to five years due to federal health care reform.

Horizon BCBSNJ has always believed that access to appropriate preventive care services helps people stay healthy and identify health conditions in early stages when the conditions are more easily treated.

Q9. Are grandfathered plans subject to these regulations?

A9. No. Grandfathered plans are exempt from these regulations. However, if a grandfathered plan has opted into the zero dollar cost-sharing requirement for preventive services, then these added women's preventive health services will apply with zero dollar cost sharing.

Q10. Will all types of contraceptives be covered at zero dollar cost sharing?

A10. No. Only generic and single-source brand contraceptives will be covered without cost sharing. The standard cost share applies to multi-source brand contraceptives, consistent with federal guidance permitting reasonable medical management.

Q11. For groups with Major Medical Prescription Coverage (MMRX), will members have to pay up front or will the zero dollar cost sharing apply when they pick up their prescriptions at the pharmacy?

A11. Members who have Major Medical Prescription Benefit Plans (MMRX) coverage (pharmacy coverage administered through their medical benefits) will continue to pay upfront for the contraceptives at the pharmacy. Horizon BCBSNJ will reimburse 100 percent of the cost to the member, once the claim is processed through the medical coverage.

Q12. How is Horizon BCBSNJ coordinating coverage, if the group has a different carrier/pharmacy benefits manager (PBM) for its prescription drug coverage?

A12. For insured groups:

The requirement is on the medical carrier to cover the contraceptives at zero dollar cost sharing, so our medical plan will reimburse contraceptives at 100 percent. If members have a separate prescription drug carrier/PBM, they can submit any costs they paid under the prescription drug program to Horizon BCBSNJ for reimbursement.

For self-insured groups:

The group plan sponsor is responsible for administering the requirement, so the group decides which administrator will process the contraceptives with zero dollar cost sharing. Groups must notify their Account Team before their plan year renewal.

Q13. Where can I learn more about this provision?

A13. For more information on the Women's Preventive Services provision, please visit <<http://www.healthcare.gov/law/resources/regulations/womensprevention.html>>

The information included in this document may be subject to change at any time as laws and regulations and related guidance are issued by state and federal agencies.