



# CareFirst Broker Flash

**For Consumer Direct contracted brokers only.  
For additional information or supplies, please contact your Broker Sales Representative.  
(Not intended for distribution to groups and members)**

Date: December 5, 2017  
Market: Consumer Direct

## MD Contraceptive Equity Act and its Impact on 2018 High Deductible Health Plans

In 2016, Maryland passed the Contraceptive Equity Act, which requires health care insurers to:

- Provide coverage for a single dispensing of up to a six-month supply for covered, FDA-approved, prescription contraceptives and devices (after a two-month trial).
- Provide coverage for over-the-counter emergency contraceptives without a prescription.
- Expand access to male sterilization benefits with no out-of-pocket costs.

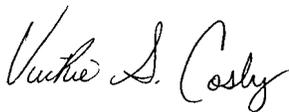
The IRS requires that high deductible health plans (HDHP) not cover benefits until the deductible for that year is satisfied. As you know, under current IRS rules for HDHPs, only preventive care benefits can be provided without a deductible. Preventive care includes a variety of screenings and services for adults and children. Food and Drug Administration-approved contraceptive methods, sterilization procedures, and patient education and counseling, as prescribed by a health care provider for women with reproductive capacity also must be covered without a copayment or coinsurance before the deductible is met. Male sterilization is not included in the IRS' list of preventive services.

The new Maryland law, effective January 1, 2018, creates a conflict with the IRS rules regarding the treatment of male sterilization as a preventive service. This new law impacts CareFirst's BlueChoice HMO HSA Bronze \$6,550 and BluePreferred PPO HSA Bronze \$6,550 plans sold in Maryland. Members who have these Plans and who fund HSA may be subject to tax penalties when they file their 2018 taxes – regardless of whether they use the covered benefit (male sterilization) or not. Subscribers and members with Grandfathered plans are not impacted.

The Maryland Insurance Administration is aware of this issue and has asked the IRS for clarification as to whether or not they consider male sterilization to be a preventive benefit for the purposes of IRS regulatory guidance. In the meantime, members who fund an HSA with these plans may be subject to tax penalties if the IRS does not recognize male sterilization as a preventive care benefit.

Members can continue to use their previously-funded HSA account to pay for health care services and should consult with a tax professional if they have further questions.

If you have any questions, please contact your broker sales representative.



Vickie S. Cosby  
Vice President, Consumer Direct Sales, Distribution and Communications