



CareFirst Sales Flash

For Distribution to Brokers/General Producers/Full-Service Producers Only
(Not intended for distribution to Groups and Members)

Date: December 27, 2017

Market: All MD risk, non-grandfathered groups

Maryland Contraceptive Equity Act Becomes Effective January 1, 2018 Upon Renewal for all New and Renewing Business

Based on The Maryland Contraceptive Act (MD HB1005), we want to make you aware of the benefit changes on contraceptive services. The legislation requires health care insurers to:

- Provide coverage for a single dispensing of up to a six-month supply for covered, FDA approved, prescription contraceptives;
 - The dispensing of a six-month supply of prescription contraceptives does not apply to the first two months of an initial prescription of contraceptives or to the first two month of a prescription if a member changes prescription contraceptive. By having the patient use the contraceptive for two months it will help ensure the prescription is appropriate and effective and reduce the potential for waste;
- Apply no out-of-pocket costs for over-the-counter (OTC) emergency contraceptives purchased at in-network pharmacies **without** a prescription
- Apply no out-of-pocket costs for male sterilization benefits

Markets impacted

Benefit Changes	Maryland Markets
<ul style="list-style-type: none"> • Up to a six-month supply of prescription contraceptives • Zero out-of-pocket costs for OTC emergency contraceptives without prescription 	<ul style="list-style-type: none"> • All Maryland risk, non-grandfathered groups <p><i>*Grandfathered plans are exempt from this portion of the mandate</i></p>
<ul style="list-style-type: none"> • Contraceptive devices (under medical portion) • Zero out-of-pocket costs for male sterilization benefits 	<ul style="list-style-type: none"> • All Maryland risk, non-grandfathered groups <p><i>*Grandfathered plans are not impacted.</i></p>

Religious exempt organizations are not required to comply with the mandate if it conflicts with their religious beliefs.

Effective date

The Act is effective January 1, 2018 upon renewal for all new and existing business.

Key notes

- The following statements apply only to a single dispensing of up to a six-month supply of FDA approved, **prescription** contraceptives portion of the mandate:
 - Barrier methods, such as over-the-counter spermicides, are *out* of scope.
 - **Important: The prescribing provider *must* indicate on the script if a 6-month supply should be dispensed *all at one time*.**

- **Male sterilization tax warning**– Under IRS rules for high deductible health plans (HDHP), only preventative care benefits can be provided without a deductible. Maryland law requires all plans to cover male sterilization as one a preventive care benefits for HDHPs. 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 purpose of IRS regulatory guidance. If the group actively funds a Health Savings Account (HSA) in Maryland, their employees may be subject to tax penalties if the IRS does not recognize male sterilization as a preventive benefit. The employer group and employees should contact their tax professionals if they have further questions.
- The legislation details various benefits that may differ by market segments. Please consult the [spreadsheet](#) for coverage level details.
- All non-standard plans will require mandate updates, therefore, “renew as is” is not an option.

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

Sincerely,

A handwritten signature in black ink that reads "C. Shekar Subramaniam". The signature is written in a cursive, flowing style.

Shekar Subramaniam
Vice President, Sales
Small Medium SBU