

## Religious Exemption to Women's Preventive Care Requirements

### HHS Employee Notice and Certification Form Attached

On Feb. 10, 2012, the Departments of Health and Human Services (HHS), Labor and Treasury finalized regulations relating to coverage of preventive services under the Patient Protection and Affordable Care Act (PPACA). In a prepublication copy of the Final Rule, the Departments:

- ▶ Adopt without modification the religious employer exemption previously published in the Federal Register on Aug. 3, 2011;
- ▶ Announce a one-year enforcement safe harbor for certain non-exempt, non-profit organizations with religious objections to covering contraceptives;
- ▶ Declare they will develop alternate ways of providing contraceptive coverage without cost-sharing as it relates to non-exempted, non-profit religious organizations that object to covering contraceptives, including initiation of formal rulemaking to require insurance companies to offer contraceptive coverage directly to those plans' participants (and beneficiaries) who desire it, with no cost-sharing; and
- ▶ State they will develop policies to achieve the same goals for self-insured group health plans sponsored by non-exempted, non-profit religious organizations with religious objections to covering contraceptives.

At the same time, HHS issued a bulletin setting forth the criteria a non-profit religious organization must satisfy to avail itself of the enforcement safe harbor (HHS Bulletin), including:

- ▶ Self-certification that the organization and the plan it sponsors satisfy the safe harbor requirements described in the HHS Bulletin; and
- ▶ Notice to enrollees regarding non-coverage of contraceptive services during the safe harbor period.



Only those group health plans that have not provided contraceptive coverage from Feb. 10, 2012 onward, consistent with applicable state law, may qualify for safe harbor protection.

## **Religious Employer Exemption to Contraception Coverage Requirements**

Under the health plan coverage guidelines issued by HHS in August 2011, health insurance plans will be required to cover without cost-sharing certain additional women's preventive services, including U.S. Food and Drug Administration approved contraception. A list of the services required to be covered under the HHS guidelines can be located at the Health Resources and Services Administration website: <http://www.hrsa.gov/womensguidelines/>

- ▶ New health plans and non-grandfathered plans must begin providing coverage without cost sharing consistent with the HHS guidelines for plan years beginning on or after Aug. 1, 2012.
- ▶ Group health plans sponsored by certain religious employers, and group health insurance coverage in connection with such plans, are exempt from the requirement to cover contraceptive services and supplies under the guidelines.

As provided in the final preventive care rules, **a religious employer is one that meets all of the following requirements:**

1. Has the inculcation of religious values as its purpose
2. Primarily employs persons who share its religious tenets
3. Primarily serves persons who share its religious tenets; and
4. Is a non-profit organization under Internal Revenue Code section 6033(a)(1) and section 6033(a)(3)(A)(i) or (iii). 45 C.F.R. §147.130(a)(1)(iv)(B).

## **Temporary Enforcement Safe Harbor**

While the Final Rule adopts without modification the religious employer definition previously published in August 2011, the Departments will provide a one-year enforcement safe harbor for certain non-profit religious organizations that object to covering contraceptives and don't otherwise satisfy the exemption. The safe harbor will be in effect until the first plan year that begins on or after Aug. 1, 2013. A religious organization seeking to qualify for the safe harbor for the group health plan it sponsors must meet all of the following criteria:

1. The organization must be organized and operated as a non-profit entity.
2. From Feb. 10, 2012 onward, the group health plan established or maintained by the organization must not have provided contraceptive coverage at any point consistent with applicable State law, because of the religious beliefs of the organization.

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3. The group health plan (or another entity on its behalf, such as a health insurance issuer or third-party administrator) must provide to participants of the plan notice stating that contraceptive coverage will not be provided under the plan for the first plan year beginning on or after Aug. 1, 2012.
  4. The organization must self-certify that it satisfies items 1-3 above, and must document its self-certification in accordance with the procedures outlined in the HHS Bulletin.

Neither employers, nor group health plans, nor group health insurance issuers will be subject to any enforcement actions by the Departments (HHS, Labor and Treasury) for failing to cover contraceptive services without cost sharing if all the criteria outlined in the HHS Bulletin are met.

## **Notice**

A group health plan availing itself of the enforcement safe harbor described in the HHS Bulletin must provide the following notice in any application materials distributed in connection with enrollment (or re-enrollment) in coverage that is effective on the first day of the first plan year on or after Aug. 1, 2012:

### **Notice to Plan Participants**

The organization that sponsors your group health plan has certified that it qualifies for a temporary enforcement safe harbor with respect to the Federal requirement to cover contraceptive services without cost sharing. During this one-year period, coverage under your group health plan will not include coverage of contraceptive services.

A group health plan may ask another entity such as the health insurance issuer or third-party administrator to accept responsibility to provide such notice on its behalf. Unless it accepts in writing the responsibility to provide the notice, a health insurance issuer does not lose its protection under the safe harbor solely because the notice is not distributed by the plan as required under the Bulletin, or because the issuer relies in good faith on a representation by the plan that turns out to be incorrect.

## **Effective Date**

Non-exempt, non-profit employers that, based on religious beliefs, exclude contraceptive coverage under their group health plans will be provided a safe harbor from enforcement until the first plan year that begins on or after Aug. 1, 2013. Employers wishing to take advantage of the additional year will need to certify that they qualify for the temporary enforcement safe harbor and otherwise provide notice to their enrollees as provided in the HHS Bulletin.

## Final Rule; Bulletin; Notice and Certification Form

- ▶ The final rule is published in the Federal Register, Vol 77, No. 31, Feb. 15, 2012, Pg. 8725, which can be found here:  
<http://www.gpo.gov/fdsys/pkg/FR-2012-02-15/pdf/2012-3547.pdf>
- ▶ The HHS Bulletin announcing the final rule can be found here:  
<http://cciio.cms.gov/resources/files/Files2/02102012/20120210-Preventive-Services-Bulletin.pdf>
- ▶ For your convenience, the HHS Bulletin, including the required Notice to Plan Participants and Self-Certification Form, is attached.



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**Date:** February 10, 2012

**From:** Center for Consumer Information and Insurance Oversight (CCIIO), Centers for Medicare & Medicaid Services (CMS)

**Title:** Guidance on the Temporary Enforcement Safe Harbor for Certain Employers, Group Health Plans and Group Health Insurance Issuers with Respect to the Requirement to Cover Contraceptive Services Without Cost Sharing Under Section 2713 of the Public Health Service Act, Section 715(a)(1) of the Employee Retirement Income Security Act, and Section 9815(a)(1) of the Internal Revenue Code

I. Purpose

Section 2713(a)(4) of the Public Health Service Act (PHS Act), as added by the Patient Protection and Affordable Care Act (Affordable Care Act), requires non-grandfathered group health plans and health insurance issuers to provide coverage for recommended women's preventive health services without cost sharing. The Affordable Care Act also added section 715(a)(1) to the Employee Retirement Income Security Act (ERISA) and section 9815(a)(1) to the Internal Revenue Code (Code) to incorporate the provisions of part A of title XXVII of the PHS Act (including section 2713) into ERISA and the Code to make them applicable to group health plans.

Interim final regulations were issued by the Department of Health and Human Services (HHS), the Department of Labor, and the Department of the Treasury (collectively, the Departments) on July 19, 2010 (codified at 26 CFR §54.9815-2713T; 29 CFR §2590.715-2713; and 45 CFR §147.130), which provide that a non-grandfathered group health plan or health insurance issuer must cover certain items and services, without cost sharing, as recommended by the U.S. Preventive Services Task Force (USPSTF), the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, and the Health Resources and Services Administration (HRSA). Among other things, the interim final regulations provide that, if a new recommendation or guideline is issued, a plan or issuer must provide coverage consistent with the new recommendation or guideline (with no cost sharing) for plan years (or, in the individual market, policy years) that begin on or after the date that is one year after the date on which the new recommendation or guideline is issued.

HRSA was charged by statute with developing comprehensive guidelines for preventive care and screenings with respect to women, to the extent not already recommended by USPSTF. On August 1, 2011, HRSA adopted and released guidelines for women's preventive services based on recommendations developed by the Institute of Medicine at the request of HHS (Women's Preventive Services: Required Health Plan Coverage Guidelines, or HRSA Guidelines). One of HRSA's recommendations is that all Food and Drug Administration-approved contraceptives for women, as prescribed by a provider, be covered by non-grandfathered group health plans and health insurance issuers without cost sharing.

That same day, the Departments issued an amendment to the interim final regulations that provided HRSA discretion to exempt group health plans established or maintained by certain religious employers (and any group health insurance provided in connection with such plans) from any requirement to cover contraceptive services. The Departments' amended interim final regulations specified that, for purposes of this exemption, a religious employer is one that: (1) has the inculcation of religious values as its purpose; (2) primarily employs persons who share its religious tenets; (3) primarily serves persons who share its religious tenets; and (4) is a non-profit organization described in section 6033(a)(1) and section 6033(a)(3)(A)(i) or (iii) of the Code. Section 6033(a)(3)(A)(i) and (iii) of the Code refers to churches, their integrated auxiliaries, and conventions or associations of churches, as well as to the exclusively religious activities of any religious order. The definition of religious employer, as set forth in the amended interim final regulations, was based on existing definitions used by some States that exempt group health insurance coverage of certain religious employers from having to comply with State insurance law requirements to cover contraceptive services. This discretion to exempt the group health plans established or maintained by these religious employers (and any group health insurance coverage provided in connection with such plans) from any requirement to cover contraceptive services was exercised by HRSA in the HRSA Guidelines, consistent with the Departments' amended interim final regulations. Therefore, this exemption now applies to any group health plan established or maintained by a qualifying religious employer (and any group health insurance coverage provided in connection with such a plan).

For all non-exempted, non-grandfathered plans and policies, the regulations require coverage of the recommended women's preventive services, including the recommended contraceptive services, without cost sharing, for plan years (or, in the individual market, policy years) beginning on or after August 1, 2012.

On January 20, 2012, Secretary Sebelius reaffirmed the exemption authorized in the amended interim final regulations. In doing so, the Secretary indicated that a temporary enforcement safe harbor would be provided to non-exempted, non-grandfathered group health plans established and maintained by non-profit organizations with religious objections to contraceptive coverage (and any health insurance coverage offered in connection with such plans). This bulletin describes the temporary enforcement safe harbor. It is available to non-exempted, non-grandfathered group health plans established or maintained by non-profit organizations whose plans have not covered contraceptive services for religious reasons at any point from the issuance date of this bulletin (i.e., February 10, 2012) onward, consistent with any applicable State law (and any group health insurance coverage provided in connection with such plans), as described herein. This temporary enforcement safe harbor provides an additional year for these group health plans and group health insurance issuers (i.e., until the first plan year beginning on or after August 1, 2013).

The Department of Labor and the Department of the Treasury agree with the need for such transitional relief and will not take any enforcement action against an employer or group health plan that complies with the conditions of the temporary enforcement safe harbor described herein.

## II. Temporary Enforcement Safe Harbor

The temporary enforcement safe harbor will be in effect until the first plan year that begins on or after August 1, 2013. Neither employers, nor group health plans, nor group health insurance issuers will be subject to any enforcement action by the Departments for failing to cover recommended contraceptive services without cost sharing in non-exempted, non-grandfathered group health plans established or maintained by an organization, including a group or association of employers within the meaning of section 3(5) of ERISA, (and any group health insurance coverage provided in connection with such plans) meeting all of the following criteria:

1. The organization is organized and operates as a non-profit entity.
2. From February 10, 2012 onward, 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.
3. As detailed below, the group health plan established or maintained by the organization (or another entity on behalf of the plan, such as a health insurance issuer or third-party administrator) must provide to participants the attached notice, as described below, which states that contraceptive coverage will not be provided under the plan for the first plan year beginning on or after August 1, 2012.<sup>1</sup>
4. The organization self-certifies that it satisfies criteria 1-3 above, and documents its self-certification in accordance with the procedures detailed herein.

## III. Notice

The attached notice must be in any application materials distributed in connection with enrollment (or re-enrollment) in coverage that is effective beginning on the first day of the first plan year that is on or after August 1, 2012.<sup>2</sup> (For example, for a calendar year plan with an open enrollment period beginning November 1, the notice must be in any application materials provided to participants on or after November 1, 2012.).

This notice is required to be provided by the group health plan (although the plan may ask another entity, such as a health insurance issuer or third-party administrator, to accept responsibility for providing the notice on its behalf). With respect to insured coverage, unless it accepts in writing the responsibility for providing the notice, a group health insurance issuer does not lose its protection under the temporary enforcement safe harbor solely because the notice is not distributed by the plan as described herein, or because the issuer relies in good faith on a representation by the plan that turns out to be incorrect.

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<sup>1</sup> Nothing in this bulletin precludes employers or others from expressing their opposition, if any, to the final regulations or to the use of contraceptives.

<sup>2</sup> CMS has determined that the notice is not a collection of information under the Paperwork Reduction Act because it is “[t]he public disclosure of information originally supplied by the Federal government to the recipient for the purpose of disclosure to the public.” 5 CFR §1320.3(c)(2).

#### IV. Certification

A certification must be made by the organization described in section II.<sup>3</sup> The certification must be signed by an organizational representative who is authorized to make the certification on behalf of the organization. The specifications for the certification are attached.

The certification must be completed and made available for examination by the first day of the plan year to which the temporary enforcement safe harbor applies.

#### Where to get more information:

If you have any questions regarding this bulletin, contact CCIIO at CMS at 410-786-1565 or at [phig@cms.hhs.gov](mailto:phig@cms.hhs.gov).

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<sup>3</sup> CMS has determined that the certification is not a collection of information under the Paperwork Reduction Act because, although it is a third-party disclosure, it is a certification that does not entail burden other than that necessary to identify the respondent, the date, the respondent's address, and the nature of the instrument. 5 CFR §1320.3(h)(1).

## **NOTICE TO PLAN PARTICIPANTS**

*The organization that sponsors your group health plan has certified that it qualifies for a temporary enforcement safe harbor with respect to the Federal requirement to cover contraceptive services without cost sharing. During this one-year period, coverage under your group health plan will not include coverage of contraceptive services.*

### CERTIFICATION

This form is to be used to certify that the group health plan established or maintained by the organization listed below qualifies for the temporary enforcement safe harbor, as described in HHS bulletin entitled "Guidance on the Temporary Enforcement Safe Harbor for Certain Employers, Group Health Plans and Group Health Insurance Issuers with Respect to the Requirement to Cover Contraceptive Services Without Cost Sharing Under Section 2713 of the Public Health Service Act, Section 715(a)(1) of the Employee Retirement Income Security Act, and Section 9815(a)(1) of the Internal Revenue Code," pertaining to coverage of FDA-approved contraceptive services for women without cost sharing.

Please fill out this form completely.

	Name of the organization sponsoring the plan
	Name of the individual who is authorized to make, and makes, this certification on behalf of the organization
	Mailing and email addresses and phone number for the individual listed above

I certify that the organization is organized and operated as a non-profit entity; and that, at any point from February 10, 2012 onward, contraceptive coverage has not been provided by the plan, consistent with any applicable State law, because of the religious beliefs of the organization.

*I declare that I have made this certification, and that, to the best of my knowledge and belief, it is true and correct. I also declare that this certification is complete.*

\_\_\_\_\_  
Signature of the individual listed above

\_\_\_\_\_  
Date

Failure to provide the requisite notice to plan participants renders a group health plan ineligible for the temporary enforcement safe harbor.