



State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE
INDIVIDUAL HEALTH COVERAGE PROGRAM

PO Box 325
TRENTON, NJ 08625-0325

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

TEL (609) 633-1882
FAX (609) 633-2030

MARLENE CARIDE
Commissioner

ADVISORY BULLETIN 18-IHC-01

November 14, 2018

To: IHC Program Member Carriers that Issue Coverage
IHC Program Interested Parties

From: Ellen DeRosa
Executive Director

Re: Adopted Amendments to Standard Plans A/50, B, C, D and HMO

On June 12, 2018, the Individual Health Coverage Program Board (IHC Board) voted to adopt amendments to the standard health benefits plans. The notice of adoption has been filed and is scheduled to appear in the November 19, 2018 *New Jersey Register*. The proposal and adoption are posted on the IHC Board's website.

http://www.state.nj.us/dobi/division_insurance/ihcseh/ihrulesadoptions.htm.

Recognizing that the process of reissuing policy and contract forms is both lengthy and costly the IHC Board determined it appropriate to give Carriers the option to implement the amendments by using the Compliance and Variability Rider set forth at N.J.A.C. 11:20 Appendix Exhibit D.

The text to be included on the Compliance and Variability rider is set forth below. IHC Board expects that carriers will work as expeditiously to ensure that all individual plans issued or renewed on or after January 1, 2019 contain the amended text as close in time to January 1 as possible.

Please contact me with any questions at ellen.derosa@dobi.nj.gov

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Compliance and Variability Rider Text for Plans A/50 - D

The **Newborn Children** provision of the **ELIGIBILITY** section is deleted and replaced with the following:

Newborn Children - We will cover Your newborn child for 60 days from the date of birth without additional premium. Coverage may be continued beyond such 60-day period as stated below:

You must: a) give written notice to enroll the newborn child; and b) pay any additional premium required for Dependent child coverage within 60 days after the date of birth for coverage to continue beyond the initial 60 days.

If the notice is not given and the premium is not paid within such 60-day period, the newborn child's coverage will end at the end of such 60-day period. You may apply for coverage for the child during an Annual Open Enrollment Period or during any applicable Special Enrollment Period.

[The **BENEFIT PROVISION** is amended to include the following Cash Deductible, Family Deductible Limit and Maximum Out of Pocket text:

[Please note: There are separate Cash Deductibles for [Tier 1] and [Tier 2] as shown on the Schedule of Insurance.

The [Tier 1] Deductible is for treatment, services or supplies given by a [Tier 1] Network Provider. The other is for treatment, services or supplies given by a [Tier 2] Network Provider [as well as for treatment, services and supplies given by a [Tier 1] Network Provider that are applied to the [Tier 1 and Tier 2] Cash Deductibles]. Each Cash Deductible is shown in the Schedule.

The Cash Deductible:

For Single Coverage Only: [Tier 1]

Each Calendar Year, You must have Covered Charges that exceed the [Tier 1] per Covered Person Cash Deductible before We pay any benefits to You for those charges. The [Tier 1] per Covered Person Cash Deductible is shown in the Schedule. The Cash Deductible cannot be met with Non-Covered Charges. Only Covered Charges incurred by You while insured can be used to meet the Cash Deductible.

Once the [Tier 1] per Covered Person Cash Deductible is met, We pay benefits for other Covered Charges above the Deductible amount incurred by You, less any applicable Coinsurance, for the rest of that Calendar Year. But all charges must be incurred while You are insured by this Policy. And what We pay is based on all the terms of this Policy including benefit limitations and exclusion provisions.

For Single Coverage Only: [Tier 2]

Each Calendar Year, You must have Covered Charges that exceed the [Tier 2] per Covered Person Cash Deductible before We pay any benefits to You for those charges. [Covered Charges applied to the [Tier 1] per Covered Person Cash Deductible also apply to this [Tier 2] per

Covered Person Cash Deductible.] The [Tier 2] per Covered Person Cash Deductible is shown in the Schedule. The Cash Deductible cannot be met with Non-Covered Charges. Only Covered Charges incurred by You while insured can be used to meet the Cash Deductible.

Once the [Tier 2] per Covered Person Cash Deductible is met, We pay benefits for other Covered Charges above the Deductible amount incurred by You, less any applicable Coinsurance, for the rest of that Calendar Year. But all charges must be incurred while You are insured by this Policy. And what We pay is based on all the terms of this Policy including benefit limitations and exclusion provisions.

Family Deductible Limit:

For Other than Single Coverage: [Tier 1]

The [Tier 1] per Covered Person Cash Deductible is **not** applicable. This Policy has a [Tier 1] per Covered Family Cash Deductible which applies in all instances where this Policy provides coverage that is not single only coverage. Once any combination of Covered Persons in a family meets the [Tier 1] per Covered Family Cash Deductible shown in the Schedule, We pay benefits for other Covered Charges incurred by any member of the covered family, less any Coinsurance, for the rest of that Calendar Year.

For Other than Single Coverage: [Tier 2]

The [Tier 2] per Covered Person Cash Deductible is **not** applicable. This Policy has a [Tier 2] per Covered Family Cash Deductible which applies in all instances where this Policy provides coverage that is not single only coverage. Once any combination of Covered Persons in a family meets the [Tier 2] per Covered Family Cash Deductible shown in the Schedule, We pay benefits for other Covered Charges incurred by any member of the covered family, less any Coinsurance, for the rest of that Calendar Year. [Note that Covered Charges applied to the [Tier 1] per Covered Family Cash Deductible also apply to this [Tier 2] per Covered Family Cash Deductible.]

Maximum Out of Pocket:

The [Tier 1 and Tier 2] Per Covered Person and [Tier 1 and Tier 2] Per Covered Family Maximum Out of Pocket amounts are shown in the Schedule.

For Single Coverage Only: [Tier 1]

In the case of single coverage, for a Covered Person, the [Tier 1] Maximum Out of Pocket is the annual maximum dollar amount that a Covered Person must pay as per Covered Person Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 1] per Covered Person Maximum Out of Pocket has been met during a Calendar Year, no further Deductible or Coinsurance or Copayments will be required for such Covered Person for the rest of the Calendar Year.

For Single Coverage Only: [Tier 2]

In the case of single coverage, for a Covered Person, the [Tier 2] Maximum Out of Pocket is the annual maximum dollar amount that a Covered Person must pay as per Covered Person Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. [All per Covered Person Cash Deductible *plus* Coinsurance and Copayments applied to the [Tier 1] per Covered Person Maximum Out of Pocket also apply to this [Tier 2] per Covered Person Maximum Out of Pocket.] Once the [Tier 2] per Covered Person Maximum Out of

Pocket has been met during a Calendar Year, no further Deductible or Coinsurance or Copayments will be required for such Covered Person for the rest of the Calendar Year.

For Other than Single Coverage: [Tier 1]

In the case of coverage which is other than single coverage, for a Covered Person, the [Tier 1] per Covered Person Maximum Out of Pocket is the annual maximum dollar amount that a Covered Person must pay as [Tier 1] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 1] per Covered Person Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 1] Deductible or Coinsurance or Copayments will be required for such Covered Person for the rest of the Calendar Year.

In the case of coverage which is other than single coverage, for a Covered Family, the [Tier 1] Maximum Out of Pocket is the annual maximum dollar amount that members of a covered family must pay as [Tier 1] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 1] per Covered Family Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 1] Deductible or Coinsurance or Copayment will be required for members of the covered family for the rest of the Calendar Year.

For Other than Single Coverage: [Tier 2]

In the case of coverage which is other than single coverage, for a Covered Person, the [Tier 2] per Covered Person Maximum Out of Pocket is the annual maximum dollar amount that a Covered Person must pay as [Tier 2] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 2] per Covered Person Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 2] Deductible or Coinsurance or Copayments will be required for such Covered Person for the rest of the Calendar Year. [Note that amounts applied to the [Tier 1] per Covered Person Maximum Out of Pocket also apply to this [Tier 2] per Covered Person Maximum Out of Pocket.]

In the case of coverage which is other than single coverage, for a Covered Family, the [Tier 2] Maximum Out of Pocket is the annual maximum dollar amount that members of a covered family must pay as [Tier 2] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 2] per Covered Family Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 2] Deductible or Coinsurance or Copayment will be required for members of the covered family for the rest of the Calendar Year. [Note that amounts applied to the [Tier 1] per Covered Family Maximum Out of Pocket also apply to this [Tier 2] per Covered Family Maximum Out of Pocket.]]

[Note to carriers: Use the above text for cash deductible, family limit and MOOP if the plan is issued as a tiered high deductible health plan that could be used in conjunction with an HSA.]

The **COVERED CHARGES** section is amended to include the following Donated Human Breast Milk provision.

Donated Human Breast Milk

[Carrier] covers pasteurized donated human breast milk for Covered Persons under the age of six months subject to the following conditions:

- a) The Covered Person is medically or physically unable to receive maternal breast milk or participate in breast feeding, or the Covered Person's mother is medically or physically unable to produce breast milk in sufficient quantities or participate in breast feeding despite optimal lactation support; and
- b) The Covered Person's Practitioner issued an order for the donated human breast milk

[Carrier] also covers pasteurized donated human breast milk as ordered by the Covered Person's Practitioner for Covered Persons under the age of six months if the Covered Person meets any of the following conditions:

- a) A body weight below healthy levels determined by the Covered Person's Practitioner;
- b) A congenital or acquired condition that places the Covered Person at a high risk for development of necrotizing enterocolitis; or
- c) A congenital or acquired condition that may benefit from the use of donor breast milk as determined by the New Jersey Department of Health.

As used in this provision, pasteurized donated human breast milk means milk obtained from a human milk bank that meets the quality guidelines established by the New Jersey Department of Health. If there is no supply of human breast milk that meets such guidelines there will be no coverage under this provision.

The pasteurized donated human breast milk may include human milk fortifiers if indicated by the Covered Person's Practitioner.]

The **COVERED CHARGES** section is amended to include the following Contraceptives provision.

Contraceptives

We cover prescription female contraceptives which require a Practitioner's prescription and which are approved by the Food and Drug Administration for that purpose. Prescription female contraceptives are covered as Preventive Care which means they are covered without application of any copayment, deductible or coinsurance.

As used in this provision, prescription female contraceptive means any drug or device used for contraception by a female. Examples include but are not limited to birth control pills and diaphragms.

With respect to the first dispensing of a specific contraceptive, coverage is provided for a three-month period. For a subsequent dispensing of that same contraceptive, coverage is provided for a six-month period, except as stated below.

Exception: If the six-month period would extend beyond December 31, coverage will be reduced such that the period ends as of December 31.

The **COVERED CHARGES** section is amended to include the following Digital Tomosynthesis provision.

Digital Tomosynthesis Charges

We cover charges for digital tomosynthesis to detect or screen for breast cancer and for diagnostic purposes as follows:

- a) When used for detection and screening for breast cancer in a Covered Person age 40 years and older, We cover charges for digital tomosynthesis as Preventive Care which means they are covered without application of any copayment, deductible or coinsurance.
- b) When used for diagnostic purposes for a Covered Person of any age, We cover charges for digital tomosynthesis as a diagnostic service subject to the applicable copayment, deductible and coinsurance.

Compliance and Variability Text for HMO Plans

The **Newborn Children** provision of the **ELIGIBILITY** section is deleted and replaced with the following:

Newborn Children - We will cover Your newborn child for 60 days from the date of birth without additional premium. Coverage may be continued beyond such 60-day period as stated below:

You must: a) give written notice to enroll the newborn child; and b) pay any additional premium required for Dependent child coverage within 60 days after the date of birth for coverage to continue beyond the initial 60 days.

If the notice is not given and the premium is not paid within such 60-day period, the newborn child's coverage will end at the end of such 60-day period. You may apply for coverage for the Child during an Annual Open Enrollment Period or during any applicable Special Enrollment Period.

[The **COVERAGE PROVISION** is amended to include the following Cash Deductible, Family Deductible Limit and Maximum Out of Pocket text:

[Please note: There are separate Cash Deductibles for [Tier 1] and [Tier 2] as shown on the Schedule of Insurance.

The [Tier 1] Deductible is for treatment, services or supplies given by a [Tier 1] Network Provider. The other is for treatment, services or supplies given by a [Tier 2] Network Provider [as well as for treatment, services and supplies given by a [Tier 1] Network Provider that are applied to the [Tier 1 and Tier 2] Cash Deductibles]. Each Cash Deductible is shown in the Schedule of Services and Supplies.

The Cash Deductible:

For Single Coverage Only: [Tier 1]

Each Calendar Year, You must have Covered Charges that exceed the [Tier 1] per Member Cash Deductible before We pay any benefits to You for those charges. The [Tier 1] per Member Cash Deductible is shown in the Schedule. The Cash Deductible cannot be met with Non-Covered Charges. Only Covered Charges incurred by You while insured can be used to meet the Cash Deductible.

Once the [Tier 1] per Member Cash Deductible is met, We pay benefits for other Covered Charges above the Deductible amount incurred by You, less any applicable Coinsurance, for the rest of that Calendar Year. But all charges must be incurred while You are insured by this Policy. And what We pay is based on all the terms of this Policy including benefit limitations and exclusion provisions.

For Single Coverage Only: [Tier 2]

Each Calendar Year, You must have Covered Charges that exceed the [Tier 2] per Member Cash Deductible before We pay any benefits to You for those charges. [Covered Charges applied to the [Tier 1] per Member Cash Deductible also apply to this [Tier 2] per Member Cash Deductible.] The [Tier 2] per Member Cash Deductible is shown in the Schedule. The Cash Deductible cannot be met with Non-Covered Charges. Only Covered Charges incurred by You while insured can be used to meet the Cash Deductible.

Once the [Tier 2] per Member Cash Deductible is met, We pay benefits for other Covered Charges above the Deductible amount incurred by You, less any applicable Coinsurance, for the rest of that Calendar Year. But all charges must be incurred while You are insured by this Policy. And what We pay is based on all the terms of this Policy including benefit limitations and exclusion provisions.

Family Deductible Limit:

For Other than Single Coverage: [Tier 1]

The [Tier 1] per Member Cash Deductible is **not** applicable. This Policy has a [Tier 1] per Covered Family Cash Deductible which applies in all instances where this Policy provides coverage that is not single only coverage. Once any combination of Members in a family meets the [Tier 1] per Covered Family Cash Deductible shown in the Schedule, We pay benefits for other Covered Charges incurred by any member of the covered family, less any Coinsurance, for the rest of that Calendar Year.

For Other than Single Coverage: [Tier 2]

The [Tier 2] per Member Cash Deductible is **not** applicable. This Policy has a [Tier 2] per Covered Family Cash Deductible which applies in all instances where this Policy provides coverage that is not single only coverage. Once any combination of Members in a family meets the [Tier 2] per Covered Family Cash Deductible shown in the Schedule, We pay benefits for other Covered Charges incurred by any member of the covered family, less any Coinsurance, for the rest of that Calendar Year. [Note that Covered Charges applied to the [Tier 1] per Covered Family Cash Deductible also apply to this [Tier 2] per Covered Family Cash Deductible.]

Maximum Out of Pocket:

The [Tier 1 and Tier 2] Per Member and [Tier 1 and Tier 2] Per Covered Family Maximum Out of Pocket amounts are shown in the Schedule.

For Single Coverage Only: [Tier 1]

In the case of single coverage, for a Member, the [Tier 1] Maximum Out of Pocket is the annual maximum dollar amount that a Member must pay as per Member Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 1] per Member Maximum Out of Pocket has been met during a Calendar Year, no further Deductible or Coinsurance or Copayments will be required for such Member for the rest of the Calendar Year.

For Single Coverage Only: [Tier 2]

In the case of single coverage, for a Member, the [Tier 2] Maximum Out of Pocket is the annual maximum dollar amount that a Member must pay as per Member Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. [All per Member Cash Deductible *plus* Coinsurance and Copayments applied to the [Tier 1] per Member

Maximum Out of Pocket also apply to this [Tier 2] per Member Maximum Out of Pocket.] Once the [Tier 2] per Member Maximum Out of Pocket has been met during a Calendar Year, no further Deductible or Coinsurance or Copayments will be required for such Member for the rest of the Calendar Year.

For Other than Single Coverage: [Tier 1]

In the case of coverage which is other than single coverage, for a Member, the [Tier 1] per Member Maximum Out of Pocket is the annual maximum dollar amount that a Member must pay as [Tier 1] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 1] per Member Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 1] Deductible or Coinsurance or Copayments will be required for such Member for the rest of the Calendar Year.

In the case of coverage which is other than single coverage, for a Covered Family, the [Tier 1] Maximum Out of Pocket is the annual maximum dollar amount that members of a covered family must pay as [Tier 1] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 1] per Covered Family Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 1] Deductible or Coinsurance or Copayment will be required for members of the covered family for the rest of the Calendar Year.

For Other than Single Coverage: [Tier 2]

In the case of coverage which is other than single coverage, for a Member, the [Tier 2] per Member Maximum Out of Pocket is the annual maximum dollar amount that a Member must pay as [Tier 2] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 2] per Member Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 2] Deductible or Coinsurance or Copayments will be required for such Member for the rest of the Calendar Year. [Note that amounts applied to the [Tier 1] per Member Maximum Out of Pocket also apply to this [Tier 2] per Member Maximum Out of Pocket.]

In the case of coverage which is other than single coverage, for a Covered Family, the [Tier 2] Maximum Out of Pocket is the annual maximum dollar amount that members of a covered family must pay as [Tier 2] per Covered Family Cash Deductible *plus* Coinsurance and Copayments for all covered services and supplies in a Calendar Year. Once the [Tier 2] per Covered Family Maximum Out of Pocket has been met during a Calendar Year, no further [Tier 2] Deductible or Coinsurance or Copayment will be required for members of the covered family for the rest of the Calendar Year. [Note that amounts applied to the [Tier 1] per Covered Family Maximum Out of Pocket also apply to this [Tier 2] per Covered Family Maximum Out of Pocket.]]

[Note to carriers: Use the above text for cash deductible, family limit and MOOP if the plan is issued as a tiered high deductible health plan that could be used in conjunction with an HSA.]

The **COVERED SERVICES & SUPPLIES** section is amended to include the following Donated Human Breast Milk provision:

16. Donated Human Breast Milk is covered for Members under the age of six months subject to the following conditions:

- c) The Member is medically or physically unable to receive maternal breast milk or participate in breast feeding, or the Member's mother is medically or physically unable to produce breast milk in sufficient quantities or participate in breast feeding despite optimal lactation support; and
- d) The member's Practitioner issued an order for the donated human breast milk

We also cover pasteurized donated human breast milk as ordered by the Member's Practitioner for Members under the age of six months if the Member meets any of the following conditions:

- d) A body weight below healthy levels determined by the Member's Practitioner;
- e) A congenital or acquired condition that places the Member at a high risk for development of necrotizing enterocolitis; or
- f) A congenital or acquired condition that may benefit from the use of donor breast milk as determined by the New Jersey Department of Health.

As used in this provision, pasteurized donated human breast milk means milk obtained from a human milk bank that meets the quality guidelines established by the New Jersey Department of Health. If there is no supply of human breast milk that meets such guidelines there will be no coverage under this provision.

The pasteurized donated human breast milk may include human milk fortifiers if indicated by the Member's Practitioner.]

The **COVERED SERVICES & SUPPLIES** section is amended to include the following Digital Tomosynthesis provision:

23) Digital Tomosynthesis Charges are covered when used to detect or screen for breast cancer and for diagnostic purposes as follows:

- a) When used for detection and screening for breast cancer in a Member age 40 years and older, We cover charges for digital tomosynthesis as Preventive Care which means they are covered without application of any copayment, deductible or coinsurance.
- b) When used for diagnostic purposes for a Member of any age, We cover charges for digital tomosynthesis as a diagnostic service subject to the applicable copayment, deductible and coinsurance.

[The **COVERED SERVICES & SUPPLIES** section is amended to include the following Contraceptives provision:

25) Contraceptives We cover prescription female contraceptives which require a Practitioner's prescription and which are approved by the Food and Drug Administration for that purpose. Prescription female contraceptives are covered as Preventive Care which means they are covered without application of any copayment, deductible or coinsurance.

As used in this provision, prescription female contraceptive means any drug or device used for contraception by a female. Examples include but are not limited to birth control pills and diaphragms.

With respect to the first dispensing of a specific contraceptive, coverage is provided for a three-month period. For a subsequent dispensing of that same contraceptive, coverage is provided for a six-month period, except as stated below.

Exception: If the six-month period would extend beyond December 31, coverage will be reduced such that the period ends as of December 31.