

NEW JERSEY
SMALL EMPLOYER HEALTH BENEFITS PROGRAM

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ADVISORY BULLETIN 96-SEH-06
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To: SEH Program Members
From: Wardell Sanders, SEH Program Assistant Director
Re: Mail Order Riders
Date: September 30, 1996

The New Jersey Small Employer Health Benefits ("SEH") Program Board has determined that its standard Mail Order Rider, set forth as Exhibit H, Part 3 (Plans A through E) and Exhibit J, Part 3 (HMO plans) to the Appendix to N.J.A.C. 11:21, is in conflict with the requirements of the Any Willing Pharmacy Act, N.J.S.A. 17B:27-46.1i. Specifically, the standard rider conflicts with 17B:27-46.1i.a(4) which prohibits health benefits plans from providing prescription drug coverage solely through mail order programs. This bulletin is to advise carriers in the small employer market of their obligations under the Any Willing Pharmacy Act, and to provide guidance on administering benefits for in force standard mail order only riders and any non-standard optional benefit riders, filed pursuant to N.J.A.C. 11:21-3.2(d), which provide outpatient pharmacy benefits solely through mail order programs.

The SEH Board intends to propose an amendment to its standard mail order riders shortly. The intention of the Board is to modify the existing standard rider to provide pharmacy benefits subject to the underlying plan's deductible and coinsurance or copays, as applicable, in addition to providing coverage through a mail order program. Such a modification will remove the current standard rider's conflict with the Any Willing Pharmacy Act. Upon adoption of the amended standard rider, carriers must begin using the amended standard rider for all new issues and renewals. Carriers will be prohibited from using the existing standard mail order rider thereafter. A hard copy of the amended rider will be provided to all carriers and will be available on computer disk, for a fee of \$10, payable to the "SEH Program," by writing to the SEH Board at the address above.

Upon receipt of this bulletin, carriers with in force standard mail order riders, or non-standard optional benefit riders that provide pharmacy benefits only through a mail order only program, **must make non-mail order pharmacy benefits available subject to the underlying plan's deductible and coinsurance requirements or copays**, as applicable, in addition to providing those benefits via the mail order program. Carriers offering a nonstandard optional benefit rider with pharmacy benefits

available only through a mail order program must file a new optional benefit rider with the SEH Board by October 4, 1996, and must use the revised rider for all new issues and renewals, on or after the date of their optional benefit rider filing. The modifications described herein which are required to bring the standard and nonstandard riders into compliance with the Any Willing Pharmacy Act may have an impact on the rates for those riders. Carriers must make any necessary rate filings with the Department of Banking and Insurance pursuant to N.J.A.C. 11:21-9. Carriers must honor existing rate guarantees.

Carriers failing to comply with this bulletin may be subject to fines and penalties as permitted under law. Questions regarding this bulletin should be directed to the SEH Board at the address or fax number above.