



For News Release

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Contraceptive Coverage Required August 1, 2012

Hagatna (GU) July 23, 2012 – Effective August 1, 2012, NetCare Life & Health Insurance Company is required to cover pharmacy benefit contraception for all covered women. Under the Patient Protection and Affordable Care Act or Health Care Reform Law, health insurance companies are required to provide coverage of FDA-approved contraceptive methods for women at 100%, without charging a co-payment, coinsurance or deductible, when filled at a participating network pharmacy provider.

This benefit change will become effective on August 1, 2012 for new and renewing groups. The health care reform law specifically permits health insurance plans to use reasonable medical management initiatives such as tiering, ancillary charges, notification, supply limits, step therapy and select exclusions to control costs and promote efficient care. NetCare is working closely with its Pharmacy Benefit Administrator, Prescription Solutions/Optum Rx to implement specific Tier 1 classification of contraceptive drugs that will be covered at 100% as well as Tier 2 and Tier 3 classification of contraceptive drugs that will still require a co-payment, co-insurance or deductible applied.

In general, when members use the new benefit to obtain tier 1 contraceptives they will see no cost share and no effect on their deductible or co-insurance. If they desire Tier 2 or Tier 3 contraceptive, they will need to pay the applicable co-payment or co-insurance or the full cost of the product until the deductible is met.

There are exceptions for clients who do not want to implement this reform provision. However, there are numerous restrictions and steps clients must satisfy in order to qualify. If your plan is grandfathered, has a religious exemption, or is eligible for the one year safe harbor exemption, your plan may be exempt. However, you must submit the correct certifications prior to August 1, 2012 or your renewal date in order to qualify for the exemption.

There are additional cost management considerations including items available without a prescription, such as condoms and spermicidal agents which are not required to be provided at no charge or no cost share under the health care reform law, nor are these covered by NetCare under the group health policy.

Member letters with no cost share contraceptive drug list will be mailed to all members who have filled a prescription for a contraceptive in the last 120 days.