

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: October 19, 2016

SUBJECT: Blue Cross Blue Shield – Affordable Care Act (ObamaCare)
Design Change Opt-Out

PRESENTER: Steve Wyatt

ATTACHMENTS: Yes
1. Benefit Design Change Memo

SUMMARY OF REQUEST:

Henderson County has received notice from Blue Cross Blue Shield that Section 1557 of the Affordable Care Act (ObamaCare) requires benefit design changes that include the removal of the categorical exclusion for gender reassignment services. In other words, sex change surgery and related drug therapy are required to be covered. This change is scheduled to take effect on January 1, 2017.

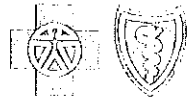
However, Administrative Services Only (ASO) groups with greater than 250 members, which applies to Henderson County's plan, are allowed to opt out of this coverage, but are required to execute an exception document to indemnify, hold harmless, and defend BCBSNC against any subsequent costs, judgments and damages resulting from the exception.

BOARD ACTION REQUESTED:

The Board is requested to opt out of this coverage, and authorize staff to execute the required exception documentation.

Suggested Motion(s):

I move the Board opt out of the plan change coverage, and authorize staff to execute the required exception documentation.



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Benefit Design Changes

Section 1557 will also require benefit changes which will take effect on:

- January 1, 2017 for individuals
- the first day of the first plan year beginning on or after January 1, 2017 for groups.

For individuals and fully-insured groups, these benefit design changes include the removal of the categorical exclusion for gender reassignment services and the coverage of these services subject to medical necessity. We will also make these changes to our standard administrative services only ("ASO") benefit template. See the questions and answers below for more details.

Please note that this document is designed to give a high-level overview of these requirements. Please contact your BCBSNC representative if you have additional questions not addressed here.

General Questions

When are the requirements of Section 1557 effective?

The notice and tagline requirements become effective on October 16, 2016.

Any benefit changes must be made by January 1, 2017 for individuals and the first day of the first plan year beginning on or after January 1, 2017 for groups.

All other requirements are effective as of July 18, 2016.

What is the reason behind this federal law?

Section 1557 integrates existing civil rights laws into health programs.

What plans must comply with this new rule?

The benefit changes apply to all BCBSNC health insurance plans and the ASO benefit template. Significant communications and significant publications sent after October 16, 2016 to all individuals, groups, beneficiaries, and members of the public will have the newly required notice and taglines.

Gender Reassignment Services Questions

Will BCBSNC cover gender reassignment services?

Yes; BCBSNC will cover gender reassignment surgical procedures and related hormone therapies (drugs) for fully-insured group and individual health plans, subject to medical necessity, for plan effective dates beginning January 1, 2017. Prior plan approval will apply to these services.

For ASO groups, BCBSNC's standard template will cover these services. ASO groups of 250+

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may opt out of this coverage but will be required to sign an exception document to indemnify, hold harmless, and defend BCBSNC against any subsequent costs, judgments and damages resulting from this exception.

Will benefit booklets be updated to reflect this change?

Yes; BCBSNC will remove the categorical exclusion of these services from its benefit booklets, for plan effective dates beginning January 1, 2017.

Other Changes

What other changes will BCBSNC make to comply with Section 1557?

- BCBSNC is removing "gender edits" from certain types of claims. (A "gender edit" is a way to limit coverage for a service or a drug to one gender.) If a claim is denied due to a gender edit, members can call BCBSNC's customer service department to have the claim adjusted, if the claim was medically appropriate and valid.
- BCBSNC has designated a Civil Rights Coordinator who will monitor BCBSNC's compliance with Section 1557.
- BCBSNC has developed a grievance procedure and complaint form for filing claims of discrimination.
- BCBSNC is finalizing a Language Access and Accessibility Plan to provide members with limited English proficiency or accessibility needs better access to services.