



Post Office Box 10348
Van Nuys CA 91409

Commercial Large Business Group and Grandfathered Small Business Group Plans ***Notice of Changes to Coverage Terms for New and Renewing Groups*** ***Effective on and after January 1, 2020***

The Health Net of California, Inc. (Health Net) Group Hospital and Professional Service Agreements (GSAs) and Evidences of Coverage (EOCs), and Health Net Life Insurance Company (HNL) Group Insurance Policies (Policies) and Certificates of Insurance (Certificates) issued in 2020 will include the changes to coverage terms as described in this Notice for compliance with new laws, regulatory requirements and/or to address our administrative changes. The following modifications apply to California Commercial Large Business Group and Grandfathered Small Business Group plans and will appear (where applicable) in GSAs/EOCs and Policies/Certificates with the effective date on or after January 1, 2020.

Changes that appear on this Notice are in addition to any other 2020 plan change materials that you may have received. This is only a summary of changes. Please refer to the EOC/Certificates for more details on the terms of coverage. Additional changes, not confirmed at the time of this Notice distribution, may be required. Please ensure that enrollees in your groups are informed of the changes described in this Notice.

Unless specifically noted otherwise, the following changes apply to all commercial products, including Flex Med, Flex Net, EPO, HMO, PPO, SELECT (POS), ELECT Open Access, HSP, and Salud y Mas.

Global Changes

- 1. New Section Titles:** The following three new sections have been created to better organize the provisions within the Certificate and all cross-references to the sections have been updated to show the new location.
 - **Certification Requirements (Note:** Applies to PPO) - Previously appeared in the "Plan Benefits" section.
 - **Coverage Decisions and Disputes Resolutions (Note:** Applies to PPO, Flex Net, Flex Med and EPO) - Relocated provisions related to coverage decisions, grievance and appeals, independent medical review, arbitration and medical malpractice disputes.
 - **Important Notices (Note:** Applies to PPO, Flex Net, Flex Med and EPO) - Relocated state and federally required notices.
- 2. Health Net, Inc.:** All instances of "Health Net, Inc." have been changed to "Health Net, LLC."
- 3. Commercial Formulary:** All instances of the term "Commercial Formulary" have been changed to "Formulary" and the definition revised and relocated.

Legislative/Regulatory Changes

1. **Domestic Partner Coverage:** To comply with California SB 30, groups that have elected “standard” domestic partner coverage will have domestic partner eligibility expanded to include opposite-sex couples with both members under 62 years of age.
2. **Outpatient Prescription Drugs:** To comply with California AB 2863, if the member pays a pharmacy's retail price for a drug (because it is less than the applicable cost sharing amount), the amount that is paid will accrue to the out-of-pocket maximum and, if applicable, deductible. (**Note:** Applies to PPO, EPO, Flex Net and Flex Med)

Policy Changes

1. **Outpatient Infusion Therapy:** In the "Covered Services and Supplies" section, a new provision for "Outpatient Infusion Therapy" has been added (**Note:** Applies to HMO, SELECT, ELECT Open Access and Salud y mas)
2. **Durable Medical Equipment:** The meaning of the abbreviation for "DME MAC" has been revised and will now read as "Durable Medical Equipment Medicare Administrative Contractor."
3. **Certification Requirements:** The list of services requiring certification has been updated as follows. (Unless specifically noted otherwise, the changes will apply to PPO, Flex Net, HSP and SELECT):

Additions

- *Implantable infusion pumps including insertion or removal*
- *Quantitative drug testing (applies to HSP and SELECT)*
- *Under Outpatient surgical procedures:*
 - *Joint surgeries*

Removals

- *Sleep studies (Applies to PPO and Flex Net)*
- *Total joint replacements (hip, knee, shoulder, or ankle)*

Clarifications

The following have been revised and will now read as follows:

- *(Under Durable Medical Equipment)*
 - *Bi-level Positive Airway Pressure (BiPAP)*
 - *bone growth stimulator*
 - *Continuous Positive Airway Pressure (CPAP)*
 - *custom-made items, including custom wheelchairs*
 - *hospital beds and mattresses*
 - *power wheelchairs and accessories*
 - *scooters*
 - *ventilators*

Language Clarification

1. **Fertility Preservation:** The "Fertility Preservation" exclusion has been revised to align with current policy.
2. **Conception by Medical Procedures:** The "Conception by Medical Procedures" exclusion has been deleted and incorporated into the "Infertility Services" exclusion.
3. **Drug Discount or Coupon or Copay Card:** A new section under "Covered Drugs and Supplies" states any cost-sharing from all drug coupons you use for any prescription drugs will not apply to Your plan deductible or out-of-pocket maximum. (**Note:** Applies to PPO, Flex Net, Flex Med and EPO)
4. **Grievance and Appeals Process:** The provision has been revised to list only one address for submitting all grievances and appeals.
5. **Arbitration:** The "Binding Arbitration" or "Arbitration" provision has been revised to align with current policy and to revise the address for submitting a request for arbitration to Health Net.
6. **Second Medical Opinion:** The "Second Medical Opinion" provision has been revised to align with the PPO plan design, which does not require members to seek authorization for second medical opinion consultations. (**Note:** Applies to PPO).
7. **Definitions:** A new definition of "Drug Discount or Coupon or Copay Card" has been added. (**Note:** Applies to PPO, Flex Net, Flex Med and EPO)

For more information regarding this Notice of Changes to Coverage Terms for 2020, please contact your Health Net sales representative.

Sincerely,

Health Net of California, Inc. and Health Net Life Insurance Company

Health Net HSP, HMO and Salud con Health Net HMO y Más plans are offered by Health Net of California, Inc. PPO and Life/AD&D insurance plans are underwritten by Health Net Life Insurance Company. Health Net of California, Inc. and Health Net Life Insurance Company are subsidiaries of Health Net, LLC. Health Net and Salud con Health Net are registered service marks of Health Net, LLC. All other identified trademarks/service marks remain the property of their respective companies. All rights reserved.