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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, 2021***

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 2021 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, 2021.

Changes that appear on this Notice are in addition to any other 2021 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 HMO.

Legislative/Regulatory Changes

- Clinical Trials:** The “Clinical Trials” provision has been revised to comply with California Senate Bill 583, which includes the ability to participate in Clinical Trials outside of the state when the protocol for the trial is not available through Preferred Providers within California.
- Resolution of Disputes:** The “Resolution of Disputes” provision in the “Certification Requirements” section, the “Grievance and Appeals Process” provision in the “Coverage Decisions and Disputes Resolution” section and the “Review and Decision” provision in the “General Provisions” section have been changed to comply with California Insurance Code (CIC) 10169.3. You are required to participate in HNL’s grievance or appeals process before requesting Independent Medical Review (IMR) for Medical Necessity denials unless there is an imminent and serious threat to Your health. However, You will not be required to participate in the HNL's grievance or appeals process for more than 30 days. In the case of a grievance that requires expedited review, You will not be required to participate in HNL's grievance process for more than three days. (**Note:** Applies to PPO)
- Out-of-Network Ambulance Services:** To comply with state law (CIC 10126.65), the “Ambulance Services” provision has been changed. Covered Services provided by an Out-of-Network air Ambulance Provider will be paid at the Preferred Provider level of cost-sharing and Deductible, if applicable, and without balance billing. (**Note:** Applies to PPO)

4. **Telehealth Services:** New “Telehealth Services” language has been added to comply with state law (Assembly Bill 744.) Medically Necessary services (from Preferred Providers) provided appropriately as Telehealth Services are covered on the same basis and to the same extent as Covered Services delivered in-person.
5. **Continuity of Care:** Changes have been made to comply with state law (Assembly Bill 577). Eligible conditions to continue care with out-of-network providers have been expanded to include maternal mental health.

Policy Changes

1. **Certification Requirements:** The list of services under “Outpatient procedures, services or equipment” has been updated as follows:
 - The following have been revised and will now read as follows:
 - o Implantable pain pumps including insertion or removal.
 - o Organ, tissue and stem cell transplant services, including pre-evaluation and pre-treatment services, and the transplant procedure. Transplants must be performed through Health Net’s designated transplantation specialty network. (**Note:** Applies to PPO, Flex Net, SELECT and HSP)
2. **Select Telehealth Services Provider:** Teladoc, which provides certain telehealth consultation services, is being replaced by Babylon Health effective January 1, 2021. If your coverage includes the supplemental telehealth consultation services, then the “Teladoc Consultation Telehealth Services” reference has been replaced with the “Telehealth Consultations Through the Select Telehealth Services Provider.” Refer to the Babylon Health contact information on your new 2021 ID Card. (**Note:** Applies to EPO, HMO, PPO, SELECT (POS), ELECT Open Access, HSP, and Salud HMO)
3. **Arbitration:** The “Arbitration” provision has been changed. The amount of damages, which dictates the use of a panel of three neutral arbitrators who shall hear and decide the case, has been raised to \$500,000. Additionally, the address for submitting a demand for arbitration has been revised.

Language Clarification

1. **Emergency Care, Urgent Care and Ambulance Services:** Language was revised to separate medical coverage from mental health and chemical dependency coverage in the "Schedule of Benefits and Copayments"/"Schedule of Benefits" section.
2. **Newborn Children:** In the "Eligibility, Enrollment and Termination" section, newborn enrollment has been revised to clarify the timeframe for coverage/enrollment. No policy changes were made.
3. **Preventive Care Services:** At the request of the California Department of Insurance, a new “Preventive Care List of Services” section has been added to give more details on services that are covered as preventive care (**Note:** Applies to PPO, EPO, Flex Net and Flex Med)
4. **Gender Reassignment Services:** The "Gender Reassignment Services" provision has been renamed "Gender Affirming Procedures."
5. **Habilitative Services:** A "Habilitative Services" provision has been added to explicitly indicate that this service is covered; in addition, a benefit line has been added to the "Schedule of Benefits and Copayments." (**Note:** Applies to HMO, SELECT (POS), ELECT Open Access, HSP, and Salud HMO)

6. **Outpatient Infusion Therapy:** The "Outpatient Infusion Therapy" provision has been revised to clarify that infusion medications will be administered in the home or non-hospital infusion suite settings when available and appropriate.
7. **Definitions:** The defined term "Neuromusculoskeletal Disorders" has been changed to "Musculoskeletal and Related Disorders." (**Note:** Applies to HMO, HSP and Salud y Mas)
8. **Language Assistance Services:** The "Language Assistance Services" section has been revised for clarity and ease of reading.

For more information regarding this Notice of Changes to Coverage Terms for 2021, please contact your Health Net sales representative.

Sincerely,

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

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