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Commercial Small Business Group (SBG) Non-Grandfathered 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 Agreement (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 Small Business Group (SBG) non-grandfathered 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 HMO, HSP, PPO 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. (**Note:** Applies to PPO)
 - **Certification Requirements** - Previously appeared in the "Plan Benefits" section.
 - **Coverage Decisions and Disputes Resolutions** - Relocated provisions related to coverage decisions, grievance and appeals, independent medical review, arbitration and medical malpractice disputes.
 - **Important Notices** - Relocated state and federally required notices.
- 2. Health Net, Inc.:** All instances of "Health Net, Inc." have been changed to "Health Net, LLC."
- 3. Pediatric Vision Services:** Health Net now contracts with Envolve Vision, Inc. to administer the vision benefits.

Legislative/Regulatory Changes

- 1. Pediatric Dental:** CDT codes have been updated to align with current coverage guidelines.
- 2. Orally administered anti-cancer Drugs:** *To comply with California AB 1860, the maximum cost sharing amount will be \$250 for an individual prescription of up to a 30-day supply or \$750 for a 90-day supply through mail order.*

3. Prescription Drugs:

- In accordance with California AB 2863, if the pharmacy's retail price for a drug is less than the applicable cost sharing amount, you will pay the pharmacy's retail price and it will accrue to the Out-of-Pocket Maximum.
- To comply with California AB 315, a note has been added to allow for up to a 90-day supply of maintenance medications purchased through retail pharmacies within Riverside and Sonoma counties. (**Note:** Applies to HMO and HSP plans)

4. **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.

Policy Changes

1. **Expanded Out-of-Network Benefits (Applies to PPO):** The plan will now cover medically necessary services by out-of-network providers for the following services:

- Acupuncture services;
- Outpatient infusion therapy
- Home health care services
- Durable medical equipment

2. **Certification Requirements (Applies to PPO):** The list of services requiring certification for PPO plans has been updated as follows:

Additions

- *(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*
- *Implantable infusion pumps including insertion or removal*
- *Joint surgeries (under Outpatient surgical procedures)*

Removals

- Sleep studies
- Total joint replacements (hip, knee, shoulder, or ankle)

Clarifications

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

- o Occupational therapy (includes home setting), except when the therapy is medically necessary for treating a mental health diagnosis such as autism.
- o Physical therapy (includes home setting), except when the therapy is medically necessary for treating a mental health diagnosis such as autism.
- o Speech therapy (includes home setting), except when the therapy is medically necessary for treating a mental health diagnosis such as autism or gender dysphoria.

3. **Certification Requirements (Applies to HSP):** The list of services requiring certification for HSP plans has been updated as follows:

Additions

- o *Under outpatient procedures, services or equipment*
- o *Implantable infusion pumps including insertion or removal*

Clarifications

- o Replaced joint replacements with joint surgeries

Language Clarification

1. **Rights, Responsibilities and Obligations Statement:** Language has been updated to inform that members have the responsibility to refrain from submitting false or fraudulent claims or information.
2. **Preventive Care Services:** The "Preventive Care Services" provision has been revised to include additional coverage details for USPSTF recommended screenings and counseling at the request of the California Department of Insurance. (**Note:** Applies to PPO)
3. **Conception by Medical Procedures:** The "Conception by Medical Procedures" exclusion has been renamed "Infertility Services" exclusion and has been revised to align with current policy.
4. **Fertility Preservation:** The "Fertility Preservation" exclusion has been revised to align with current policy.
5. **Drug Discount or Coupon or Copay Card:** New exclusion language has been added to state that any cost-sharing paid on the member's behalf through the use of drug manufacturer's discount, coupon or copay cards used for any prescription drugs will not apply to toward the deductible or out-of-pocket maximum (**Note:** Applies to PPO)
6. **Grievance and Appeals Process:** The provision has been revised to list only one address for submitting all grievances and appeals.
7. **Arbitration:** The "Arbitration" provision has been revised to align with current policy and to revise the address for submitting a request for arbitration to Health Net.
8. **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).

9. **Claims Denial:** The "Claims Denial" provision has been revised to clarify that the members are not required to participate in final, binding arbitration to resolve disputes concerning adverse benefit determinations. (**Note:** Applies to PPO)
10. **Definitions:** A new definition of "Adverse Benefit Determination" and "Drug Discount or Coupon or Copay Card" have been added. The definition for "Physician" has been revised to include "certified nurse midwife or licensed midwife" (**Note:** Applies to PPO)

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.