



Coverage of Tobacco Cessation Treatments in Non-Compliant Health Plans

The Affordable Care Act (ACA) increased the number of people with healthcare coverage in the United States, and included new coverage requirements encouraging prevention. These new requirements increased coverage of tobacco cessation treatment, including both medications and counseling. In December of 2017 with the passage of the Tax Cuts and Jobs Act of 2017, the penalty imposed against individuals for not having health insurance that meets the ACA's coverage requirements was reduced to \$0. This policy change helped create a new market for health plans that do not always provide the same coverage the Affordable Care Act required. While these non-compliant plans are often cheaper than marketplace plans, they are not subject to the same regulations and often limit benefits that have been deemed essential under the ACA, like tobacco cessation services.

Types of plans

Farm Bureau Health Plans are health coverage plans offered through a state's Farm Bureau. They do not qualify as health insurance under the ACA, and are often not regulated by state insurance commissioners. They are currently available in many states including Iowa, Kansas, South Dakota, Texas and Tennessee with additional states looking to expand access to them. While they typically have lower premiums, they maintain the right to deny or limit coverage based on preexisting conditions, and because they are not subject to ACA requirements, often lack minimum benefits.¹

Healthcare Sharing Ministries (HCSMs) cover healthcare through monthly contributions from members who typically share religious or ethical beliefs. Ministries are then responsible for coordinating the sharing of medical expenses among members. HCSMs vary in their approach to financial distribution and do not guarantee payment for medical claims, leaving the health of their members at risk.² Like Farm Bureau Plans, they provide inexpensive coverage, offer limited benefits, and can exclude individuals with preexisting conditions. They are also not considered to be health insurance under the ACA or state regulators.³ Since 2019, 29 states offer coverage through 104 active HCSMs, covering nearly one million Americans.⁴

Key ACA Requirements

Guaranteed Issue

(Insurance coverage cannot be denied because of a preexisting condition)

Community Rating

(Insurance Premiums can only be based on age (3:1), geography, family size and tobacco use)

No Lifetime or Annual limits on coverage of services and treatments

Defined maximum out-of-pocket costs for patients

Cover the **10 Essential Health Benefits**, including preventive services

How do these plans impact tobacco cessation?

Farm Bureau Health Plans and HCSMs are not compliant with the ACA, and are not classified as health insurance. As a result, they are not required to cover the essential health benefits, including prescription drug coverage or preventive services, including a comprehensive tobacco cessation benefit.^{5,6} Ultimately, they can deny access to tobacco cessation coverage for members. Access to a comprehensive tobacco cessation benefit has been associated with more tobacco users successfully quitting⁷, which is the best thing a person can do for their health.

These non-compliant plans also create more variation in what tobacco cessation treatments are covered across plans. This can create more challenges for providers in treating patients, and more challenges to accurately promote tobacco cessation services.

¹Kaiser Family Foundation. (Apr 2018). Proposals for insurance options that don't comply with ACA rules: Trade-offs in cost and regulation. Retrieved from <https://www.kff.org/health-reform/issue-brief/proposals-for-insurance-options-that-dont-comply-with-aca-rules-trade-offs-in-cost-and-regulation/>

²The Commonwealth Fund. (Aug 2018). Health care sharing ministries: What are the risks to consumers and insurance markets? Retrieved from https://www.commonwealthfund.org/sites/default/files/2018-08/Volk_hlt_care_sharing_ministries.pdf

³Healthinsurance.org (n.d.) Healthcare sharing ministries: A leap of faith? <https://www.healthinsurance.org/other-coverage/healthcare-sharing-ministries-a-leap-of-faith/>

⁴Alliance for Health Care Sharing Ministries. (2019). Alliance partners and affiliates. Retrieved from <http://www.healthcaresharing.org/about-us/data-and-statistics/>

⁵Kaiser Family Foundation. (Apr 2018). Proposals for insurance options that don't comply with ACA rules: Trade-offs in cost and regulation. Retrieved from <https://www.kff.org/health-reform/issue-brief/proposals-for-insurance-options-that-dont-comply-with-aca-rules-trade-offs-in-cost-and-regulation/>

⁶Healthinsurance.org (n.d.) Healthcare sharing ministries: A leap of faith? <https://www.healthinsurance.org/other-coverage/healthcare-sharing-ministries-a-leap-of-faith/>

⁷Maclea, JC, et al. PUBLIC INSURANCE EXPANSIONS AND SMOKING CESSATION MEDICATIONS. May 2019. Retrieved from: <https://onlinelibrary.wiley.com/doi/pdf/10.1111/ecin.12794>

