



STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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Circular Letter 1998-13

TO: Health Insurance Industry Representatives, Insurance Trade Associations, Life & Disability Insurers, and Other Interested Parties

FROM: Charles R. Cohen
Director of Insurance

DATE: December 21, 1998

RE: **Women's Health and Cancer Rights Act of 1998**

This Circular Letter is issued to advise all companies authorized to transact health insurance business in Arizona that Congress recently passed the Women's Health and Cancer Rights Act of 1998 ("the Act") as part of the federal Omnibus Appropriations Act of 1998. The Act requires group health plans and issuers of individual and group health insurance policies ("collectively referred to as "health insurers") to provide coverage for reconstructive surgery for women undergoing a mastectomy if the health insurer provides medical and surgical benefits for mastectomies. The Act expands existing state law requiring coverage for breast reconstructive surgery, and is effective as described below.

Required Coverage

A group or individual health benefits plan, policy, or contract that provides medical and surgical benefits for a mastectomy shall include the coverage listed below for an enrollee or beneficiary who is receiving benefits in connection with a mastectomy, and elects breast reconstruction in connection with the mastectomy. The coverage must include:

1. Reconstruction of the breast on which the mastectomy was performed;
2. Surgery and reconstruction of the other breast to produce a symmetrical appearance;
3. Prostheses; and

4. Treatment of physical complications for all stages of mastectomy, including lymphedemas.

A health insurer shall provide these benefits as determined by consultation between the attending physician and the patient. The health insurer may subject this coverage to the annual deductible and coinsurance provisions for comparable benefits in a policy or contract.

The Act does not preempt any existing coverage available under state law.

Required Notice

A health insurer must provide written notice of this mandated coverage as required by federal regulations. The health insurer must deliver written notice of the availability of this coverage to enrollees and beneficiaries upon enrollment, and annually thereafter. The notice must be prominently positioned in any literature or correspondence. The health insurer must send initial notice of this mandatory coverage by the earliest of the following dates:

1. Not later than January 1, 1999;
2. As part of any yearly informational packet sent to the enrollee or beneficiary; or
3. In the next mailing from the health insurer to an enrollee or beneficiary.

Prohibitions

A health insurer offering medical and surgical benefits shall not:

1. Deny to a patient eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the Act's requirements; or
2. Penalize or otherwise reduce or limit the reimbursement of an attending provider, or provide incentives (monetary or otherwise) to an attending provider to induce the provider to render care to an individual enrollee or beneficiary in a manner inconsistent with the Act.

A health insurer remains free to negotiate, with a provider, the level and type of reimbursement for care provided in accordance with the Act.

Effective Date

The requirements of the Act apply to:

1. Health insurance coverage offered, sold, issued, renewed, or in force on or after October 21, 1998, for the individual market; and
2. To plan years beginning on or after October 21, 1998, for group health plans.

The purpose of this circular letter is to make health insurers aware of the passage of the Act. Health insurers are advised to notify all company marketing representatives and claims personnel of this new law. If applicable, a health insurer should file, with the Department of Insurance, any amendatory rider or contract forms necessary to ensure compliance with the Act.

Please contact Vista Brown at (602) 912-8456 if you have any questions regarding this Circular Letter.