



Commercial Small Group Non-Grandfathered Plans
Notice of Changes to Coverage Terms for Groups
Effective on and after January 1, 2023

The Health Net of California, Inc. (Health Net) Group Hospital and Professional Service Agreements (GSAs) and Evidences of Coverage (EOCs) issued in 2023 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 Group non-grandfathered plans and will appear (where applicable) in GSAs/EOCs with the effective date on or after January 1, 2023.

Changes that appear on this notice are in addition to any other 2023 plan change materials that you may have received. This is only a summary of changes. Please refer to the EOC 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 and PPO.

PPO

1. **Regulator Change:** The PPO Policies and Certificates underwritten by Health Net Life Insurance Company and regulated by the California Department of Insurance have been discontinued and these PPO insurance plans will not be renewed in 2023. Health Net of California, Inc. will issue 2023 PPO plans with a GSA and EOC regulated by the Department of Managed Health Care (DMHC). Although some terms have changed to comply with DMHC regulations and the documents' organization may be different, benefit and terms of coverage remain the same. (**Note:** Applies only to PPO)

Global Changes

1. **Prior Authorization:** Throughout the document references to "Certification" have been changed to "Prior Authorization," but retains the same meaning. (**Note:** Applies only to PPO)

Legislative/Regulatory Changes

1. **COVID-19 Consolidated Appropriations Act, 2021 - Stimulus and Omnibus Legislation (No Surprises Act, Section 104):** Federal law now prohibits balance billing to members for emergency services received from an out-of-network provider. Balance billing is the difference between out-of-network provider's billed charge and the maximum allowable amount. Due to the new regulation the "Ambulance Services" provision under "Covered Services and Supplies" has been revised and a new footnote has been added to the Schedule of Benefits under "Ambulance Services." (**Note:** Applies only to PPO)

2. **Notice of Privacy Practices:** The Notice of Privacy Practices has been updated in accordance with AB 1184 and includes updates to the "Right to Request Confidential Communications" and new definitions for "Protected Individual" and "Sensitive Services."
3. **Deductible and Out-of-Pocket Maximum (OOPM) accumulations:** To comply with SB 368, Health Net will notify members of deductible and OOPM accumulations for each month in which benefits were used and when they have reached their deductible and OOPM amounts for the calendar year.
4. **Timely Access to Care:** To comply with current policy and SB 221, timely access waiting times have been updated.
5. **Step Therapy:** To comply with AB 347, a new "Step Therapy" provision has been added under the "Covered Services and Supplies" section that describes how the process works.
6. **Pilot Program:** *A pilot program as part of AB 315 that allowed up to a 90-day supply of maintenance drugs to be purchased at any retail pharmacy in Riverside and Sonoma counties has expired and has been removed from the EOCs.*

Policy Changes

1. **Prior Authorization Requirements:** The list of services under “**Outpatient procedures, services or equipment**” that require prior authorization has been updated as follows:
 - *Cardiovascular procedures and Ear Nose and Throat (ENT) procedures have been added.*
 - Balloon sinuplasty and cochlear implants have been removed.
 - “Genetic testing” has been changed to add that prior authorization for biomarker testing for members with advanced or metastatic stage 3 or 4 cancer is not required.

(Note: Applies only to PPO)

Language Clarification

1. **Mobile Application:** The Health Net Mobile App will no longer be available. With new and improved mobile functionality, the new portal at www.healthnet.com offers a great experience through whatever device you're using.

For more information regarding this Notice of Changes to Coverage Terms for 2023, please contact your Health Net sales representative.

Sincerely,

Health Net of California, Inc.

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