

Brothers and Sisters in Christ,

In this mailing you will find a letter from Joshua Peterman, the synod's Director of Benefit Plans.

His letter contains some important technical information about our WELS VEBA health plan and how it is affected by some of the provisions of the Affordable Care Act.

I would like to highlight several important points in his letter. First, our synod, along with many other religious organizations, has been granted an exemption to the mandate to cover contraceptive services in their health plans. That means our health plan will neither cover nor pay for such services.

At the same time, the federal government *is requiring* health providers to offer these services (including abortion-inducing drugs) to all female citizens. In the case of religious employers that have received the exemption, these services must be made available under a separate special plan, with the cost being covered by the government itself. These arrangements are described in Mr. Peterman's letter, which is provided as information to assist WELS VEBA members in the transition to the new plan.

The bottom line is that neither WELS VEBA nor the synod will be providing or paying for coverage for contraceptive services. And while those services will be available through the separate government-funded program, we are confident that WELS members will not participate or make use of these services in ways that would violate our clear doctrinal beliefs and our scriptural values.

Thank you for taking the time to read the important letter enclosed.

In Christ,



Mark Schroeder, WELS President

Enclosure

December 17, 2013

Dear WELS VEBA Member:

The Affordable Care Act (“ACA”) requires an employer-sponsored group health plan, such as the WELS VEBA Group Health Care Plan (“WELS VEBA”), to cover certain preventive care services at no cost to covered employees and their covered family members. Federal regulations define “preventive care” services to include all FDA-approved contraceptive methods, sterilization procedures, and patient education and counseling for women with reproductive capacity (i.e., up to age 51) that is prescribed by a health care provider (“contraceptive services”). The ACA mandate to provide coverage for contraceptive services includes a requirement to cover certain abortifacients, such as the “morning after” pill. We are sending you this letter to review some changes in coverage related to the ACA mandate to cover contraceptive services.

- A. Background—Church Objections to ACA Mandate. For religious reasons, many church bodies (including WELS and ELS) have objected to the ACA mandate to cover contraceptive services under their health plans. In response, the federal government issued an exemption from this mandate for employers that qualify as religious employers or religiously affiliated employers. WELS VEBA is available only to workers employed by either religious employers or religiously affiliated employers eligible for the exemption. Therefore, taking advantage of the federal exemption, WELS VEBA did not make any changes to its coverage for the 2013 plan year in response to the ACA contraceptive mandate.
- B. New Federal Regulations. In 2013, the federal government updated its regulations regarding the ACA mandate to cover contraceptive services. Under the updated regulations, WELS VEBA will continue to be exempt from the ACA mandate to cover contraceptive services because, for religious reasons, WELS objects to certain contraceptive services covered by the ACA mandate (e.g., abortifacients).
- C. Claims Administrators Must Comply with ACA Contraceptive Coverage Mandate. Under the updated regulations, however, the claims administrators for the plans of religiously affiliated employers exempt from the ACA mandate must cover those contraceptive services in accordance with the ACA mandate. As a result, effective January 1, 2014, the claims administrators for WELS VEBA—Express Scripts for pharmacy benefits and Anthem Blue Cross Blue Shield for medical benefits—will provide workers covered by WELS VEBA and their covered family members contraceptive-only coverage **under separate programs**. Please be assured that neither WELS VEBA nor WELS/ELS sponsoring organizations are paying for the costs associated with these contraceptive-only programs. Express Scripts and Anthem will receive subsidies from the federal government to cover their costs for providing this coverage.
- D. Change in Coverage for WELS VEBA Members. The separate contraceptive programs provided by Express Scripts and Anthem will cover **all** ACA-mandated contraceptive medications and medical services.

*Please refer to the reverse side
for important details regarding
the separate programs for
contraceptive services provided
by Express Scripts and Anthem
effective January 1, 2014*

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To coordinate with these Express Scripts and Anthem programs beginning January 1, 2014, WELS VEBA will not cover medications, devices, or services that would be considered contraceptives regardless of the medical reason for the services. Coverage for these medications, devices, and services will be available **only** through the Express Scripts and Anthem programs **and only** to the extent Express Scripts and Anthem determine that coverage for those medications, devices, and services is required under the ACA mandate.

- E. Administrative Changes and Additional Information. Please be aware that information describing the Express Scripts and Anthem contraceptive-only programs will soon be sent to all households with an eligible family member. The Express Scripts packet is scheduled to arrive prior to January 1, 2014.

Please note the following important information regarding these programs:

- The Express Scripts or Anthem contraceptive-only programs are independent of WELS VEBA. Under federal regulations, WELS VEBA is not permitted to manage or administer these programs in whole or in part. For this reason, members must contact Express Scripts and/or Anthem with questions on these new contraceptive programs. Contact information will be provided in the information packets that will be delivered to members.
- Beginning January 1, 2014, to obtain any contraceptive *prescription*, members must use the new contraceptive-only ID card that will be included in the Express Scripts information packet. Note that WELS VEBA members should continue to use their WELS VEBA ID card for all covered prescriptions that are not contraceptives.
- Members will need to obtain new prescriptions for medications currently filled by the Express Scripts mail order pharmacy that will be covered under Express Scripts' separate contraceptive services program. This is the case even if unfilled prescriptions remain available on your WELS VEBA mail order account as of December 31, 2013.
- To obtain contraceptive *medical services*, members can continue to use their WELS VEBA ID card. Anthem will automatically process contraceptive service claims under the separate Anthem program.
- In general, contraceptive services required to be provided under the ACA as preventive care must be provided at no cost if obtained in-network. Additional coverage details will be included in the information packets that will be provided by Express Scripts and Anthem.

- F. Questions. If you have specific questions regarding the new contraceptive-only programs, please contact Express Scripts and/or Anthem using the contact information provided in the forthcoming program materials or on the back of your WELS VEBA ID card. Please feel free to contact the WELS Benefit Plans Office by e-mail to bpo@wels.net or by calling 1-800-487-8322 (option 5) with questions or concerns on this matter.

The WELS VEBA Commission and the Benefit Plans Office have attempted to navigate the maze of regulation created by the ACA in a manner that keeps WELS VEBA compliant with applicable law while maintaining a consistent benefit program nationwide for all members. Above all else, it is the top priority of the VEBA Commission and the Benefit Plans Office to operate WELS VEBA in a manner that is faithful to God's Word.

In Christ's service with you,



Joshua Peterman
Director of Benefit Plans