



Tobacco Cessation Coverage: Exchange Plans

What are Exchange Plans?

The Affordable Care Act (ACA) passed in 2010 established a health insurance exchange in 2014 where individuals and families could purchase health insurance. This is sometimes called the marketplace or simply referred to as healthcare.gov. Exchange plans are required to cover a minimum set of benefits known as the Essential Health Benefits (EHB), which includes preventive services.

Tobacco Cessation and Exchange Plans:

Many individuals who purchase plans on the exchange were previously uninsured and can qualify for several different types of financial assistance to help make coverage affordable. Premium assistance is available to individuals and families with incomes between 100 to 400% of the federal poverty level (FPL), which is \$27,750 and \$111,000 for a family of four respectively. The American Rescue Plan Act made premium assistance available to some individuals and families above 400% of FPL for a limited time. Individuals and families with incomes between 100 and 250 percent of FPL are eligible for reduced cost-sharing plans. The ACA requires Exchange plans to cover a minimum set of benefits: the Essential Health Benefits (EHB). Preventive services are one of the 10 EHB's and are required to be covered without cost-sharing.

The ACA requires plans to cover any service or treatment given an "A" or "B" by the United States Preventative Services Task Force (USPSTF). Tobacco cessation has an "A" grade. In May of 2014, the Departments of Labor, Treasury, and Health and Human Services issued an FAQ guidance on what should be covered for tobacco cessation.

The FAQ Guidance¹ defined a comprehensive tobacco cessation benefit as one which includes:

1. Screening for tobacco use,
2. At least two quit attempts per year, consisting of:
 - a. Four sessions of telephone, individual and group cessation counseling lasting at least 10 minutes each per quit attempt; and
 - b. All medications approved by the FDA as safe and effective for smoking cessation, for 90 days per quit attempt, when prescribed by a health care provider².

The guidance also reiterates that plans must not include cost-sharing for these treatments, and that plans should not require prior authorization for any of these treatments.

What does this mean?

- Based on the ACA and the FAQ guidance, plans sold on the exchange must cover a comprehensive tobacco cessation benefit – all seven medications and all three forms of counseling.
- Plans cannot impose cost-sharing (including co-pays, co-insurance or deductible) or prior authorization.
- Plans must cover at least two quit attempts per year and not limit treatment to under 90 days.

Tobacco Surcharges:

It is important to note that insurance companies who participate in health insurance exchanges are allowed to charge an additional surcharge to tobacco users on top of their insurance premiums. These surcharges do not help smokers quit, evidence shows the surcharge encourages smokers and their families to forgo insurance coverage. States can and have limited or prohibited this surcharge³.

Comprehensive Cessation Benefit:

Seven Medications:

NRT Gum (OTC)* | NRT Patch (OTC)
NRT Lozenge (OTC) | NRT Inhaler
NRT Nasal Spray | Bupropion / Zyban
Varenicline (Chantix)

Three Forms of Counseling:

Individual | Group | Phone

¹https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/aca_implementation_faqs19.html

²<https://www.lung.org/getmedia/f2dbf78e-20a7-4c38-b9a6-5de38357e506/tobacco-cessation-as-a-preventive-service>

³Friedman, A.S., Schpero, W. L., Busch, S.H. Evidence Suggests That The ACA's Tobacco Surcharges Reduced Insurance Take Up and Did Not Increase Smoking Cessation. Health Aff 2016; 35:1176-1183. doi: 10.1377/hlthaff.2015.1540 accessed at: <http://www.healthaffairs.org/doi/10.1377/hlthaff.2015.1540>

* Over the Counter or OTC; meaning a patient does not need a prescription to purchase the medication. However, in order for the health plan to cover the cost a prescription must be written, even for OTC medications.

