# Frequently Asked Questions on the Cessation FAQ

*Note: The Cessation FAQ and the questions regarding it apply to all private insurance plans, sold in the exchanges and non-grandfathered private plans sold elsewhere. Additionally, the information below applies to Medicaid expansion plans. The information does not apply to grandfathered plans, Medicare or traditional Medicaid plans.*

## Terminology

**What is "cost-sharing"?**

Cost-sharing is any payment a patient makes at the pharmacy, doctor's office or other healthcare site before he or she receives treatment. Cost-sharing most often takes three forms:

- Deductibles: the patient must pay for treatments out-of-pocket until a deductible amount is met.
- Co-insurance: the patient must pay a percentage of the cost of a treatment. For example, the patient might be required to pay 20 percent of the cost of a medication, while the insurance plan covers 80 percent.
- Co-pays: the patient must pay a fixed dollar amount per prescription or office visit (regardless of the actual cost of the treatment).

**What is "prior authorization"?**

Prior authorization is a policy requiring the insurance company approve treatment before it can be given to the patient. These requirements can apply to medications or counseling (or both). Obtaining prior authorization usually involves a healthcare provider filling out a form on paper or online and contacting the insurance company. This process can cause delays in treatment for the patient.

**What is a "grandfathered plan"?**

A plan that existed before March 2010 when the ACA legislation was passed, can be "grandfathered in" to the law if it has not made significant changes since then. These grandfathered plans do not have to meet many of the ACA requirements, including requirements on coverage of preventive services.

**What is a "rider"?**

A rider or a benefit rider acts as an addendum to the original coverage policy. Typically the rider will provide coverage of a prescription benefit or other benefit that is not included in the original health insurance plan. These riders can be offered as an option, meaning the payer or the individual would have to choose to add the rider to their coverage at an additional cost. The American Lung Association would not consider a health insurance policy with an optional rider for tobacco cessation coverage to be compliant with the Cessation Guidance.

## Basics About the Requirement

**Are plans *required* to cover each treatment listed in the Guidance FAQ?**

The ACA requires all non-grandfathered private health plans (including exchange plans) and Medicaid expansion plans to cover tobacco cessation as a preventive service with no cost sharing because tobacco cessation receives an "A" grade from the U.S. Preventive Services Task Force. The May 2, 2014 FAQ

provides guidance and more details, including specific treatments to cover. In order to be in compliance with the guidance, an insurance plan:

- Must cover all treatments listed in the guidance for the duration specified,
- Allow at least 2 quit attempts a year
- Not require prior authorization
- Not require cost sharing

It is unclear at this time how compliance with this guidance will be enforced at the federal level.

**Do plans have to provide all treatments without cost sharing, step therapy, or prior authorization?**
The plans that must comply with the preventive services requirement (plans in the exchanges, non-grandfathered private individual and group plans and Medicaid expansion plans) should be covering all treatments included in the cessation FAQ without cost sharing or prior authorization. However, the FAQ does not specify that plans must cover every brand/generic form of each medication, or every program for cessation counseling. Plans could still use cost sharing, step therapy or prior authorization on certain brands of medications, as long as at least one form of the medications is available without. Additionally, plans are able to specify which counseling programs patients use. Patients should check with their plan to see which counseling programs are covered, because their plan might not reimburse them for the costs of the particular program they have chosen.

**Does the Guidance FAQ apply to both self-insured and fully insured private large group plans?**
Yes, the Guidance FAQ applies to both self-insured and fully insured private large group plans. Please note, a self-insured plan is one where the employer takes the financial risk of insuring its employees, although the plan may be administered through a traditional health insurance company. A fully insured plan is when the employee and the employer pay a premium to an insurance company, which takes the financial risk of insuring the employees. For more information, please see this factsheet. The one exception to this is grandfathered plans. ACA requirements for preventive services do not apply to grandfathered plans.

**Are most of the private insurance plans grandfathered in?**
Every year there are fewer and fewer people that have insurance plans that are grandfathered in under the Affordable Care Act. More information on grandfathered plans can be found here.

**Are publicly funded insurance programs (Medicare and Medicaid) already implementing the FAQ Guidance?**
Currently, the FAQ Guidance does not apply to Medicare or traditional Medicaid, as both programs are not subject to the preventive services requirement. There are specific requirements for traditional Medicaid programs around tobacco cessation coverage. You can find more information on that here. However, the Medicaid expansion plans are subject to the preventive services requirement and states that have expanded their Medicaid program should be implementing the FAQ Guidance.

**What are Medicaid programs required to cover for pregnant women?**
The Affordable Care Act requires Medicaid programs to cover all tobacco cessation medications and counseling for pregnant women with no cost sharing as of September 2010.

## Getting Tobacco Cessation Treatments

**Does insurance cover FDA approved Over–the-Counter (OTC) medications?**
Some tobacco cessation medications are only available as OTC medications, meaning anyone can purchase them without a prescription. Insurance plans should cover OTC medications, such as the nicotine replacement therapy gum. To get an OTC medication covered by insurance, a doctor or other healthcare provider would need to write a prescription for it. The patient can then fill the prescription like they would any other prescription at the pharmacy.

**If a healthcare provider wants to write a prescription for a tobacco cessation medication, how do they know if the medication is covered? How would they know if the patient has a grandfathered plan?**
A provider can work with a patient, looking in their insurance handbook, website or formulary/preferred drug list to see what is covered. Additionally, all grandfathered plans have to tell their customers they are a grandfathered plan under the ACA. There should be a notification of this if applicable in the member handbook or other materials.

**Who is qualified to bill for tobacco cessation counseling?**
Each insurance plan (both public and private) decide who can be reimbursed. These are individual decisions for each plan and varies from plan to plan and state to state. If you are a healthcare provider, you should check with the insurance companies you work with to determine if you or your colleagues can bill for tobacco cessation counseling.

**Does the FAQ Guidance of "at least four sessions of individual, group, and phone counseling" mean four sessions of each type of counseling, four sessions of one type of counseling or four sessions total of a mix of types of counseling?**
The American Lung Association interprets the counseling requirement to mean a patient should receive at least four sessions of one type of counseling of their choice.

## Questions about Next Steps

**Have you found return on investment (ROI) studies to be useful in speaking with stakeholders?**
Yes, return on investment studies have been very useful when speaking with stakeholders. There was a study done in Massachusetts[1] when the state implemented its comprehensive benefit. The ROI for the tobacco cessation benefit was a $3 return for every $1 spent over the first two years of having the benefit.

**What suggestions do you have for the states that have not expanded Medicaid?**
Unfortunately, there is a coverage gap in the states that have not expanded Medicaid, which includes access to tobacco cessation medications. For U.S. citizens in states without Medicaid expansion, individuals/families making over 100 percent of the federal poverty level (FPL) are eligible for subsidies to buy health insurance through the exchange. But those who make below 100 percent of the FPL and are not eligible for Medicaid do not have that option. However, there is no deadline by when states had to expand Medicaid and states that have not yet expanded Medicaid can do so anytime in the future. Public health advocates can continue to encourage their state to expand Medicaid if it has not yet done so.

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[1] Richard P, West K, Ku L. The Return on Investment of a Medicaid Tobacco Cessation Program in Massachusetts. PLoS One. January 6, 2012, 7(1).

**Is there a definition that qualifies cessation as a preventive service?**
The Affordable Care Act codified the preventive service requirement, which requires various health plans (plans offered in the exchanges, non-grandfathered private group and individual private plans and Medicaid expansion plans) to cover anything given an "A" or "B" grade by the United States Preventive Service Task Force (USPSTF) without cost sharing. The USPSTF is an independent agency and has given tobacco cessation intervention for adults and all pregnant women an "A" grade. Thus tobacco cessation is considered a preventive service.

**Where can I find more information about the Cessation FAQ?**
The American Lung Association has created a robust toolkit which can be found at www.lung.org/cessationguidance. A recording of the webinar on the Cessation FAQ that was held on September 25th is available for viewing in the toolkit as well.

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