

excerpted from Centers for Medicare & Medicaid Services

Fact Sheet: Women's Preventive Services Coverage, Non-Profit Religious Organizations, and Closely-Held For-Profit Entities

Most health plans are required to cover certain recommended preventive services, including certain women's preventive health services, without charging cost sharing, like a co-pay, co-insurance, or deductible. The independent Institute of Medicine (IOM) provided recommendations to the Department of Health and Human Services (HHS) regarding which preventive services help keep women healthy. The IOM recommendations included covering all FDA-approved contraceptive services for women with child-bearing capacity, as prescribed by a provider, because of the health benefits for women that come from using contraception... Under Affordable Care Act (ACA) rules, starting in 2012, women enrolled in most health plans and health insurance policies (non-grandfathered plans and policies) are guaranteed coverage for recommended preventive care, including all FDA-approved contraceptive services prescribed by a health care provider, without cost sharing...

Exemption for Religious Employers

(employers proposed for exemption under draft amendment)

Under final rules issued in July 2013, group health plans of "religious employers" are exempt from having to provide coverage for contraceptive services. *The definition of "religious employer" for purposes of the exemption is based solely on section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code, which primarily concerns churches and other houses of worship.* A house of worship is exempt even if it provides charitable social services to, or employs, persons of different religious faiths.

Accommodations for Additional Non-Profit Religious Organizations

(not proposed for exemption or accommodation under draft amendment)

The final rules issued in July 2013 also provide an accommodation for other non-profit religious organizations that object to providing contraceptive services coverage on religious grounds. An eligible organization, under the July 2013 final rules, is one that:

1. on account of religious objections, opposes providing coverage for some or all of any contraceptive services otherwise required to be covered;
2. is organized and operates as a nonprofit entity;
3. holds itself out as a religious organization; and
4. self-certifies that it meets these criteria in accordance with the provisions of the final regulations

Accommodation Extended to Certain Closely Held For-Profit Entities

(not proposed for exemption or accommodation under draft amendment)

Also in August 2014, in response to the Supreme Court's decision in *Burwell v. Hobby Lobby Stores, Inc.*, 134 S. Ct. 2751 (2014)... expanding the availability of the accommodation to include a closely held for-profit entity that has a religious objection to providing coverage for some or all contraceptive services. The final rules define a qualifying closely held for-profit entity as an entity that (i) is not a nonprofit entity; (ii) has no publicly traded ownership interests; and (iii) has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer individuals – a definition based on a test that is already used in Federal tax law. For purposes of this definition, all of the ownership interests held by members of a family are treated as being owned by a single individual.

Cross reference: 26 USC s6033(a)(3)(A)(i) and (iii)

(a) Organizations required to file

(1) In general . Except as provided in paragraph (3), every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe; except that, in the discretion of the Secretary, any organization described in section 401(a) may be relieved from stating in its return any information which is reported in returns filed by the employer which established such organization...

(3) Exceptions from filing

(A) Mandatory exceptions Paragraph (1) shall not apply to—

(i) churches, their integrated auxiliaries, and conventions or associations of churches,

(ii) any organization (other than a private foundation, as defined in section 509(a)) described in subparagraph (C), the gross receipts of which in each taxable year are normally not more than \$5,000, or

(iii) the exclusively religious activities of any religious order.

