



# SPECIAL Alert

## In This Issue

*In this second McGrawWentworth Special Alert for 2014, we discuss the recently enacted Michigan Abortion Opt-Out Act. Fully insured plans in Michigan can no longer cover elective abortions unless they purchase a separate rider to provide the coverage.*

*This new Michigan law will impact plans as of their first policy renewal date after March 13, 2014. If an employer adds this rider to their coverage, they must notify their employees that abortion coverage is included as part of the plan. That notice must include language that explains that dependents can use the coverage without notifying the employee.*

*We welcome your comments and suggestions regarding this issue of our Special Alert. For more information on this article, please contact your Account Manager or visit the McGrawWentworth web site at [www.mcgrawwentworth.com](http://www.mcgrawwentworth.com).*

## “Michigan Abortion Opt-Out Act”

The recently enacted Michigan Abortion Opt-Out Act requires policyholders that want to cover elective abortions under an insured plan to purchase an optional rider. For group coverage, the policyholder is the employer. This act applies only to fully insured individual and group health plans in Michigan. It affects plans, policies, certificates or contracts issued for delivery or renewed in this state on or after March 13, 2014.



The law defines an elective abortion as the intentional use of an instrument, device, drug or other substance to terminate a woman’s pregnancy for **a purpose other than to:**

- Increase the probability of a live birth
- Preserve the life or health of the child after a live birth
- Remove a fetus that has died as result of natural causes, accidental trauma, or a criminal assault on a pregnant woman
- Use or prescribe a drug or device intended as a contraceptive
- Avert the death of a pregnant woman (when termination of pregnancy is necessary in the physician’s reasonable medical judgment)

- Treat a pregnant woman who has a miscarriage or an ectopic pregnancy

All of the above situations would be considered non-elective or medically necessary abortions under the new Michigan law.

The law requires carriers to remove elective abortion coverage from basic contracts issued for fully-insured plans in Michigan. If policyholders would like their policies or contracts to cover elective abortions, they will need to purchase a separate rider. Some additional details on this rider include:

- Act does not require an insurance carrier to offer the rider. It appears that carriers do not intend to offer it for individual coverage; however, most group insurance carriers in Michigan will offer it.
- Qualified Health Plans offered in the MI Marketplace cannot offer the rider. Women can purchase it independently outside the Marketplace, although it appears that individual insurance carriers will not offer this rider outside the Marketplace.

Employers offering the rider under the group health insurance plan must notify each employee that the rider is included in their health coverage and that a covered dependent can use it without informing the employee.



from their insurance carrier. The cost should be minimal. Employers will also need to notify their employees that this coverage is available. It is important that the notice include the language stating that dependent children can use

this coverage without notifying the employee.

If you have any questions, please contact your McGraw Wentworth Account Manager. **MW**

### Concluding Thoughts

This new law affects only insured plans in Michigan. It does not apply to self-funded plans.

The law takes effect the first plan year after March 13, 2014. Employers need to decide whether to include elective abortion coverage under their group health plans. If they do want to offer this coverage, they will need to purchase a separate rider

Copyright McGraw Wentworth, a Marsh & McLennan Agency LLC company. Our publications are written and produced by McGraw Wentworth staff and are intended to inform our clients and friends on general information relating to employee benefit plans and related topics. They are based on general information at the time they are prepared. They should not be relied upon to provide either legal or tax advice. Before making a decision on whether or not to implement or participate in implementing any welfare, pension benefit, or other program, employers and others must consult with their benefits, tax and/or legal advisor for advice that is appropriate to their specific circumstances. This information cannot be used by any taxpayer to avoid tax penalties.

#### McGraw Wentworth

3331 West Big Beaver Road, Suite 200  
Troy, MI 48084  
Telephone: 248-822-8000 Fax: 248-822-4131  
[www.mcgrawwentworth.com](http://www.mcgrawwentworth.com)

250 Monroe Ave. NW, Suite 400  
Grand Rapids, MI 49503  
Telephone: 616-717-5647 Fax: 248-822-1278  
[www.mcgrawwentworth.com](http://www.mcgrawwentworth.com)

 <http://www.twitter.com/McGrawWentworth>

 <http://www.linkedin.com/company/McGraw-Wentworth>

 <http://www.facebook.com/McGrawWentworth>