

June 30, 2014

Supreme Court allows closely-held for-profit companies to exclude contraceptive coverage

In a 5-4 decision, today the Supreme Court of the United States ruled that closely-held, for-profit corporations cannot be required to provide the contraceptive coverage mandated by the Patient Protection and Affordable Care Act (PPACA) if coverage of contraceptives violates the sincerely held religious beliefs of the companies' owners.

The Court was careful to point out the limited scope of its decision:

- It applies only to closely-held companies with very few shareholders. It does not apply to larger, publicly-traded, for-profit companies, and it does not change the current contraceptive requirements for other employers.
- It applies only to the PPACA contraceptive mandate and should not be understood to apply to other insurance coverage mandates that conflict with an employer's religious beliefs.
- It also does not allow discrimination based on religious objections.

The Supreme Court decision suggested that employees of these companies may be able to access contraceptive coverage in the same way that employees of religious non-profit organizations do. While the employer is not required to provide or pay for coverage, separate contraceptive coverage can be provided by the insurer or plan administrator.

Cigna expects guidance from the Department of Health and Human Services clarifying how this ruling will impact the administration of contraceptive coverage.

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