

LEGAL UPDATE

Supreme Court Upholds ACA Contraceptive Rule Exemptions

On July 8, 2020, the U.S. Supreme Court [upheld](#) two regulations expanding exemptions from the contraceptive coverage mandate under the Affordable Care Act (ACA). Under the regulations, plan sponsors that object to providing contraceptive coverage based on sincerely held religious beliefs or moral convictions will not be penalized for failing to include contraceptive coverage in the plan's benefits.

Contraceptive Mandate

The ACA requires non-grandfathered health plans to cover certain women's preventive health services without cost-sharing, including all FDA-approved contraceptives. Religious exemptions apply to certain churches, houses of worship, and other church-affiliated institutions, which allows them to choose not to contract, arrange, pay or refer for any contraceptive coverage.

In October 2017, the Trump administration issued two interim final rules that expand the availability of the exemption for employers that object to providing contraceptive coverage based on their religious beliefs, and provide an additional exemption for employers that object to providing contraceptive coverage based on their moral convictions (but not religious beliefs).

Court Ruling and Impact

In a 7:2 decision, the Supreme Court ruled that the Trump administration had the authority under the ACA to provide exemptions from the contraceptive mandate for employers with religious and conscientious objections. The Supreme Court remanded the case to the lower courts to dissolve a nationwide preliminary injunction temporarily preventing the regulations from taking effect. **As a result, additional employers may now be able to opt out of providing the ACA-mandated contraceptive coverage.**

Highlights

- The ACA requires non-grandfathered health plans to cover all FDA-approved contraceptives.
- In October 2017, the Trump administration issued regulations expanding the exemptions from the contraceptive mandate.
- In January 2019, two federal courts temporarily blocked the regulations from taking effect.

As a result of the Supreme Court's ruling, additional employers may now be able to opt out of providing contraceptive coverage.

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