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Proposed regulations: Rescission of “moral exemption rule” to coverage of certain contraceptive services under Affordable Care Act

The U.S. Treasury Department and IRS—along with the Department of Health and Human Services (HHS) and the Department of Labor—today released for publication in the Federal Register a notice of proposed rulemaking (REG-124930-21) that would rescind the “moral exemption rule” to required coverage of certain contraceptive services under the “Patient Protection and Affordable Care Act” (Pub. L. No. 111-148, March 2010).

The [proposed regulations](#) [PDF 711 KB] (46 pages as published in the Federal Register on February 2, 2023) would amend current regulations that include exemptions and optional accommodations for entities and individuals with religious or moral objections to coverage of contraceptive services and would establish a new individual contraceptive arrangement that individuals enrolled in plans or coverage sponsored, arranged, or provided by objecting entities may use to obtain contraceptive services at no cost directly from a provider or facility that furnishes contraceptive services.

Under the proposed regulations:

- Contraceptive services would be available through the proposed individual contraceptive arrangement without any involvement on the part of an objecting entity
- A provider or facility that furnishes contraceptive services in accordance with the individual contraceptive arrangement for eligible individuals would be able to be reimbursed for its costs by entering into an arrangement with an issuer on a federally-facilitated exchange or state exchange on the federal platform, which in turn may seek a user fee adjustment

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