

Notice of HIPAA Exemption

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirements listed below. However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is “self-funded” by the employer, rather than insured through a health insurance policy.

The benefits subject to this election are:

- Non-Medical Alternate Plan
- Medical Reimbursement Plan
- Employee Assistance Program

The Plano ISD has elected to exempt the above benefits from the following requirements:

- Limitations on pre-existing condition exclusion periods
- Special enrollment periods
- Prohibitions against discriminating against individual participants and beneficiaries based on health status
- Standards relating to benefits for mothers and newborns
- Parity in the application of certain limits to mental health benefits
- Coverage of dependent students on medically necessary leave of absence

The exemption from these Federal requirements will be in effect for the Plan year beginning September 1, 2010, and ending August 31, 2011. The election may be renewed for subsequent years.

Even though the Plan is exempt from the above requirements, the Plan has been voluntarily amended to provide protections similar to many, but not all, of these requirements. In addition, the Plan has been amended to comply with applicable Texas law relating to pre-existing condition exclusions.

Effective as of January 1, 2010, the Plano ISD participates in TRS-ActiveCare for medical plan options. The TRS will have filed a separate exemption for TRS-ActiveCare for the plan year beginning September 1, 2010, and ending August 31, 2011.

HIPAA also requires health plans to provide covered employees and dependents with a “certificate of creditable coverage” when they cease to be covered under the plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under the plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a pre-existing condition exclusion if you join another employer’s health plan or if you purchase an individual health insurance policy.

If you have questions or need assistance, please contact the Benefits and Risk Management Department at (469)752-8138 or e-mail benefits@pisd.edu.