

# HIPAA Portability, Access and Renewability Requirements

<p><b>Overview</b></p>	<p>Recent clarifications to HIPAA Portability, Access and Renewability laws explain the original intent of several requirements. Medica’s clarifications are noted below.</p>
<p><b>History: HIPAA</b></p>	<p>The Federal Government enacted the Health Insurance Portability and Accountability Act (HIPAA) of 1996 to improve continuity of individual and group health insurance coverage, to simplify health insurance administration, and to combat waste, fraud and abuse in the health care industry. HIPAA deals with pre-existing conditions, special enrollment events and certificates of creditable coverage, as well as privacy, security and electronic data transmission.</p>
<p><b>Key Facts</b></p>	<p><b><u>Certificates of Creditable Coverage.</u></b></p> <ul style="list-style-type: none"> <li>▪ An educational statement is required on all certificates. The statement must inform members of individual rights regarding pre-existing condition exclusions, special enrollment, prohibitions against health factor discrimination, and the right to individual health coverage.</li> <li>▪ The law clarified that Certificates of Creditable Coverage must be sent to individuals who reach their lifetime maximum on benefits.</li> <li>▪ HIPAA requires written procedures for members to request and receive Certificates of Creditable Coverage.</li> </ul> <p><b><u>Pre-existing Condition Exclusion.</u></b></p> <ul style="list-style-type: none"> <li>▪ Each employee (or former employee) must be provided with a notice that defines the timeframes applicable to a pre-existing condition exclusion and describes an individual’s right to demonstrate creditable coverage. The notice must include a person to contact – including address and phone number.</li> <li>▪ A pre-existing condition exclusion cannot be imposed on a child who is insured within 30 days after birth or adoption and subsequently enrolls in other group health coverage as long as there is no significant break in coverage.</li> <li>▪ Both the six month look-back period and the maximum length of pre-existing condition exclusion are based on an individual’s enrollment date. Enrollment date is defined as (a) the first day of coverage under the plan offered through the employer, or (b) the first day of the waiting period. If an individual covered under a group health plan changes benefit packages, or if the plan changes group health insurance issuers or third party administrators, the individual’s enrollment date does not change.</li> </ul> <p><b><u>Special Enrollment Rights.</u></b></p> <ul style="list-style-type: none"> <li>▪ At the time of enrollment, each employee must be provided with a notice explaining special enrollment rights.</li> <li>▪ Qualifying individuals eligible to enroll through a special enrollment period may enroll into <i>any medical benefit package</i> offered by the plan as outlined in the Certificate of Coverage. <b>NOTE:</b> this special enrollment right applies to the medical benefit package offered. It does not apply to certain other limited benefits, such as comprehensive dental plans.</li> </ul> <p><b>Example 1 - Special Enrollment Due To Loss Of Coverage:</b> An individual who reaches his/her lifetime maximum under an existing plan is eligible to enroll on a spouse’s plan if that individual meets all of the special enrollment eligibility criteria required in the Certificate of Coverage. <b>NOTE:</b> An individual who terminates coverage due to reaching the lifetime maximum is not entitled to enroll on another medical benefit plan offered through the same employer.</p> <p><b>Example 2 - Special Enrollment Due To Added Dependent:</b> Employee adds a newborn to the plan. Employee was enrolled in an Elect plan but wants newborn added to the Choice plan. Both employee and newborn (and any dependents who were already enrolled) would move to the Choice plan.</p>
<p><b>What This Means for You</b></p>	<p>Medica’s enrollment forms include the required notices and information about special enrollment rights and pre-existing condition exclusions as applicable.</p> <p>Please be sure to use the most current versions of the enrollment application with notices and other relevant documents. If you have any questions about which documents to use, please contact your Account Service Representative for additional information.</p> <p>This update is for information only and does not constitute legal advice; consult with your legal advisors if you have specific questions about these clarifications.</p>