

EXEMPTION FROM MENTAL HEALTH & SUBSTANCE USE DISORDER PARITY

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 provided through a health insurance policy. The Cochise Combined Trust (CCT) has elected exemption from the following requirement:

Parity in the application of certain limits to mental health benefits. Group health plans (of employers that employ more than 50 employees) that provide both medical and surgical benefit and mental health or substance use disorder benefits must ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant financial requirements and treatment limitations applicable to substantially all medical and surgical benefits covered by the plan.

The exemption from this Federal requirement will be in effect for the plan year beginning July 01, 2013 and ending June 30, 2014. This election may be renewed for subsequent plan years.

HIPAA also requires the Plan 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 this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer’s health plan, or if you wish to purchase individual health insurance policy.

If you have any questions regarding CCT’s election to exempt the Trust from the requirements of mental health parity, please feel free to contact the Pool Administrator, Jaime Schulenberg with Erin P. Collins & Associates, Inc., at (928) 753-4700 x26.

If you have questions regarding the certificate of creditable coverage please contact AmeriBen’s Customer Care Department at (855) 258-6455.