

## Notice to Enrollees in the ECHO Joint Agreement PPO Medical Plan

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 government employers that sponsor health plans to elect to exempt a plan from these requirements for part of the plan that is "self-funded" by the employer, rather than provided through an insurance policy.

ECHO Joint Agreement has elected to exempt its PPO medical plan from the following requirements:

### **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 benefits and mental health or substance use disorder benefits must ensure that financial requirements and treatment limitations applicable to mental health or substance abuse 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 these Federal requirements will be in effect for the plan year beginning 7/1/2010 and ending 6/30/2011. The 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 an individual health insurance policy.