

SUMMARY OF THE MENTAL HEALTH PARITY ACT for a Self-Insured Nonfederal Governmental Group Health Plan

Under a federal law known as Health Insurance Portability and Accountability Act (HIPAA) group health plans must generally comply with the requirements 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 Auburn University Employee Health Plan has elected to be exempt from the following requirement:

- Parity in the application of certain limits to mental health and substance use disorder benefits, i.e. Mental Health and Addiction Equity Act.
 - 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 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 these federal requirements will be in effect for the plan from January 1, 2016, through December 31, 2016. The election may be renewed for subsequent plan years.

Please see your summary plan description for the benefits provided to you for mental health and substance use disorders.

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 establish your prior coverage, you may be entitled to certain rights to reduce or eliminate preexisting condition exclusion if you join another employer’s health plan, or if you wish to purchase an individual health insurance policy. Should you have any questions, please contact Payroll and Employee Benefits.