



North East Independent School District

8961 TESORO DRIVE – SAN ANTONIO, TEXAS 78217

IMPORTANT NOTICE OF YOUR RIGHT TO DOCUMENTATION OF HEALTH COVERAGE

FEDERAL LAW MAY AFFECT YOUR HEALTH COVERAGE, OR THE COVERAGE OF YOUR DEPENDENTS, IF YOU ARE ENROLLED OR BECOME ELIGIBLE TO ENROLL IN THE NORTH EAST INDEPENDENT SCHOOL DISTRICT (NEISD) HEALTH COVERAGE PLAN DURING THE 2014 Plan YEAR.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was signed into law on August 21, 1996. HIPAA impacts group health plans, such as those provided by NEISD, by improving the availability and portability of health coverage. However, HIPAA provides that non-federal governmental plans that are self-funded, such as the plans provided by NEISD, can elect to be exempted from some or all of the main provisions of the Act.

NEISD is the plan sponsor of a self-funded, non-federal governmental group health plan that provides medical coverage benefits to employees of NEISD. Currently, NEISD has two separate self-funded health care plans that are administered by Blue Cross Blue Shield of Texas.

Section 102(a) of HIPAA (codified, in pertinent part, at 42 USC 300gg – 21), Section 146.180 of the HIPAA Regulations (45 CFR 146.180), and Section 2721(b)(2) of the Public Health Service Act allow plan sponsors of non-Federal governmental health plans to elect to be exempted from the following HIPAA and other requirements: (1) Standards relating to benefits for mothers and newborns; (2) Parity in the application of certain limits to mental health benefits; and (3) required coverage for reconstructive surgery following mastectomies. Pursuant to such statutory and regulatory provisions, on September 9, 2013, the North East Independent School District elected to be exempted from several of such requirements. On September 9, 2013, the North East Independent School District elected to remain exempted from the same requirements.

This notice provides you with information regarding (1) the provisions of HIPAA and the Women’s Health and Cancer Rights Act (WHCRA) from which NEISD has elected to be exempted, (2) how the exemption applies to participants under each of the two health coverage plans offered by NEISD, and (3) whether NEISD chooses to provide voluntarily any of the protections required under HIPAA and WHCRA from which NEISD has elected to be exempted, and if so, a list of which protections apply to plan participants.

(1) **STANDARDS RELATING TO BENEFITS FOR MOTHERS AND NEWBORNS**

HIPAA REQUIREMENTS:

A group health plan may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child, following a normal vaginal delivery, to less than 48 hours, or restrict benefits for any hospital length of stay in connection with childbirth for the mother of a newborn child, following a cesarean section, to less than 96 hours, or require that a provider obtain authorization from the plan for prescribing any length of stay required. This section does not apply in any case in which the decision to discharge the mother or her newborn child prior to the expiration of the minimum length of stay otherwise required is made by an attending provider in consultation with the mother.

A group health plan may not (1) deny to the mother or her newborn child eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section; (2) provide monetary payments or rebates to the mother to encourage such mothers to accept less than the minimum protections available; (3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary; (4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary; or (5) restrict benefits for any portion of a period within a required hospital length of stay in a manner which is less favorable than the benefits provided for any preceding portion of such stay.

However, a group health plan is not prevented from imposing deductibles, coinsurance, or other cost-sharing in relation to benefits for hospital lengths of stay in connection with childbirth for a mother or newborn child under the plan, except that such coinsurance or other cost-sharing for any portion of a period within a required length of hospital stay may not be greater than such coinsurance or cost-sharing for any preceding portion of such stay.

NEISD ELECTION/COVERAGE:

➤ **BLUE CHOICE LOW OPTION PPO:**

NEISD has elected to be exempted from HIPAA requirements prohibiting restriction of the period of hospitalization after birth for which benefits are payable to less than 48 hours for a vaginal delivery and 96 hours for a cesarean delivery. However, NEISD has elected to voluntarily comply with some of HIPAA's requirements related to hospitalization in connection with childbirth, as follows:

NEISD has elected to voluntarily comply with HIPAA requirements prohibiting restriction of the period of hospitalization after birth for which benefits are payable to less than 48 hours for a vaginal delivery and 96 hours for a cesarean delivery, unless the attending health care provider, in consultation with the mother, decides that an earlier discharge is appropriate. In addition, NEISD will not (1) deny to the mother of her newborn child eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section; (2) provide monetary payments or rebates to the mother to encourage such mothers to accept less than the minimum protections available; (3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary; (4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary; or (5) restrict benefits for any portion of a period within a required hospital length of stay in a manner which is less favorable than the benefits provided for any preceding portion of such stay. NEISD will apply deductibles and coinsurance requirements as stated in the summary plan document for any inpatient hospital services.

➤ **BLUE CHOICE HIGH OPTION PPO:**

NEISD has elected to be exempted from HIPAA requirements prohibiting restriction of the period of hospitalization after birth for which benefits are payable to less than 48 hours for a vaginal delivery and 96 hours for a cesarean delivery. However, NEISD has elected to voluntarily comply with some of HIPAA's requirements related to hospitalization in connection with childbirth, as follows:

NEISD has elected to voluntarily comply with HIPAA requirements prohibiting restriction of the period of hospitalization after birth for which benefits are payable to less than 48 hours for a vaginal delivery and 96 hours for a cesarean delivery, unless the attending health care provider, in consultation with the mother, decides that an earlier discharge is appropriate. In addition, NEISD will not (1) deny to the mother of her newborn child eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of this section; (2) provide monetary payments or rebates to the mother to encourage such mothers to accept less than the minimum protections available; (3) penalize or otherwise reduce or limit the reimbursement of an attending provider because such provider provided care to an individual participant or beneficiary; (4) provide incentives (monetary or otherwise) to an attending provider to induce such provider to provide care to an individual participant or beneficiary; or (5) restrict benefits for any portion of a period within a required hospital length of stay in a manner which is less favorable than the benefits provided for any preceding portion of such stay. NEISD will apply deductibles and coinsurance requirements as stated in the summary plan document for any inpatient hospital services.

(2) **PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS**

HIPAA REQUIREMENTS:

A group health plan must treat mental health benefits no differently than medical and surgical benefits with respect to a plan's application of annual dollar limits. HIPAA does not require a group health plan to provide mental health benefits; nor does it affect the terms and conditions (for example, cost sharing, limits on days of coverage, requirements regarding medical necessity, requirements that patients or providers obtain prior authorization for treatment, and requirements relating to primary care physicians' referrals for treatment) regarding the amount, duration, or scope of the mental health benefits, except as specifically provided in regard to parity of aggregate lifetime dollar limits and annual dollar limits.

NEISD ELECTION/COVERAGE:

➤ **BLUE CHOICE LOW OPTION PPO:**

NEISD has elected to be exempted from HIPAA requirements prohibiting the treatment of mental health benefits differently than medical and surgical benefits with respect to the plan's lifetime or annual limitation. However, NEISD has elected to voluntarily comply with some of HIPAA's requirements that mental health benefits be treated no differently than medical and surgical benefits with respect to a plan's lifetime or annual limitation, as follows:

NEISD has elected to voluntarily comply with HIPAA requirements that mental health benefits will be treated no differently than medical and surgical benefits with respect to a plan's annual limitation. The group health plan will place limitations in regard to the terms and conditions of the coverage, such as preauthorization requirements, and co-payments.

➤ **BLUE CHOICE HIGH OPTION PPO:**

NEISD has elected to be exempted from HIPAA requirements prohibiting the treatment of mental health benefits differently than medical and surgical benefits with respect to the plan's lifetime or annual limitation. However, NEISD has elected to voluntarily comply with some of HIPAA's requirements that mental health benefits be treated no differently than medical and surgical benefits with respect to a plan's lifetime or annual limitation, as follows:

NEISD has elected to voluntarily comply with HIPAA requirements that mental health benefits will be treated no differently than medical and surgical benefits with respect to a plan's annual limitation. The group health plan

will place limitations in regard to the terms and conditions of the coverage, such as preauthorization requirements, and co-payments.

(3) REQUIRED COVERAGE FOR RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMIES

WHCRA REQUIREMENTS:

In the case of a covered person receiving benefits under their plan in connection with a mastectomy and who elects breast reconstruction, coverage will be provided in a manner determined in consultation with the attending physician and the patient for: (i) reconstruction of the breast on which the mastectomy was performed; (ii) surgery and reconstruction of the other breast to produce a symmetrical appearance; and (iii) prostheses and treatment of physical complications at all stages of the mastectomy, including lymph edemas. Deductibles, co-insurance, and co-payment amounts will be the same as those applied to the other similarly covered medical services, such as surgery and prostheses.

NEISD ELECTION/COVERAGE:

➤ **BLUE CHOICE LOW OPTION PPO:**

NEISD has elected to be exempted from the WHCRA requirements related to required coverage for reconstructive surgery following mastectomies. However, NEISD has elected to voluntarily comply with some of the WHCRA requirements related to such coverage as follows:

NEISD has elected to voluntarily comply with some of the WHCRA requirements relating to reconstructive surgery following mastectomies. In the case of a covered person receiving benefits under the plan in connection with a mastectomy and who elects breast reconstruction, coverage will be provided in a manner determined in consultation with the attending physician and the patient for (i) reconstruction of the breast on which the mastectomy was performed; (ii) surgery and reconstruction of the other breast to produce a symmetrical appearance; and (iii) prostheses and treatment of certain physical complications related to the mastectomy, including lymph edemas. Deductibles, co-insurance, and co-payment amounts will be the same as those applied to other similarly covered medical services, such as surgery and prostheses.

➤ **BLUE CHOICE HIGH OPTION PPO:**

NEISD has elected to be exempted from the WHCRA requirements related to required coverage for reconstructive surgery following mastectomies. However, NEISD has elected to voluntarily comply with some of the WHCRA requirements related to such coverage as follows:

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ADDITIONAL INFORMATION FOR PLAN PARTICIPANTS:

- The NEISD group health plans are required by federal law to furnish certificates of creditable coverage to plan participants in accordance with 45 CFR '146.115. You have the right to receive a certificate of prior health care coverage since July 1, 1996. Should you leave NEISD and obtain employment elsewhere, check with your new plan administrator to see if you need to provide a certificate or other documentation of your previous coverage. To obtain a certificate, complete the attached form and return it to the NEISD Employee Benefits Office at the address listed on the form.
- All information contained in this notice concerning NEISD's voluntary compliance with HIPAA requirements is subject to the summary plan descriptions for each medical plan offered by NEISD and its third party administrator, Blue Cross Blue Shield of Texas.
- You should read and consult your schedule of benefits to determine the specific benefits/requirements of your health care plan.
- You may obtain additional information or address questions to:

**Risk Management and Employee Benefits
North East Independent School District
8961 Tesoro Drive, Suite 209
San Antonio, Texas 78217
(210) 407-0187
Fax: (210) 805-2798**

- Additional information concerning the administration of your health care plan may be addressed to:

**Blue Cross Blue Shield of Texas
Customer Service Help line
1-800-521-2227**