

HIPAA SUMMARY

The Health Insurance Portability and Accountability Act (HIPAA) was enacted in 1996. Title I of HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs. Title II of HIPAA requires the establishment of national standards for electronic healthcare transactions and national identifiers for providers, health insurance plans, and employers with the intention of helping people keep their information private. HIPAA is a federal law that:

- Limits the ability of a new employer plan to exclude coverage for preexisting conditions;
- Provides additional opportunities to enroll in a group health plan if you lose other coverage or experience certain life events;
- Prohibits discrimination against employees and their dependent family members based on any health factors they may have, including prior medical conditions, previous claims experience, and genetic information;
- Guarantees that certain individuals will have access to, and can renew, individual health insurance policies.

Definitions:

- **Preexisting Condition:** HIPAA states that a preexisting condition is one for which medical advice, diagnosis, care, or treatment was recommended or received within the six month period ending on the enrollment date. A preexisting condition exclusion period is limited to 12 months (18 months for late enrollees) after the enrollment date. Pregnancy can never be treated as a preexisting condition.
- **Enrollment Date:** For health plans with no eligibility waiting period, the enrollment date is the first day of coverage. For health plans with an eligibility waiting period, the enrollment date is the first day of the waiting period.
- **Creditable Coverage:** Creditable coverage means coverage of the individual under the following:
 - Another Group Health Plan
 - A Public Health Plan
 - Health Insurance Coverage
 - COBRA coverage
 - Medicaid
 - Medicare Part A or Part B
 - State Health Benefits Risk Pool
 - A Medical Care Program of the Indian Health Service or of a tribal organization
 - Programs Provided for Members of the Uniformed Services and their Dependents
 - Health Plan covering workers with the Peace Corp

- **Certificate of Creditable Coverage:** A document that shows your prior periods of coverage in a health plan. It is provided by the group health plan. If the document cannot be obtained, prior creditable coverage can be shown with any of the following documents accepted as evidence:
 - Pay stubs that reflect a deduction for health coverage premiums;
 - Copies of premium payments or other documents showing evidence of coverage;
 - Explanation of Benefits (EOB) forms; and
 - Verification by a doctor or the former health plan.
- **Significant Break in Coverage:** Any 63 day period without any creditable coverage.
- **Late Enrollee:** Any person who enrolls after the first date of their eligibility.
- **Waiting Period:** The period that must pass before an individual is eligible to be covered for benefits under the terms of the plan.

Relation to State Laws

The HIPAA provisions supersede state and local laws except where it is complemented by state laws that offer **more** generous protections.

Applicability and Exemptions

The requirements of HIPAA apply to any group health plan and their insurer, and exemptions include church plans, government-funded programs, and small group health plans.

Newborns and Adopted Children

Under HIPAA, a newborn, an adopted child, or a child placed for adoption cannot have a preexisting condition exclusion, as long as the child is enrolled in health coverage within 30 days of the event, without subsequent significant break in coverage.

Changing From Group Health Coverage to an Individual Insurance Policy

HIPAA guarantees access to individual insurance policies and state high-risk pools for eligible individuals who:

- Had coverage for at least 18 months, most recently in a group health plan, without a significant break;
- Lost group coverage but not because of fraud or nonpayment of premiums;
- Are not eligible for COBRA coverage, or if COBRA coverage was offered, elected and exhausted; and
- Are not eligible for coverage under another group health plan, Medicare, or Medicaid; or have any other health insurance coverage.