



**Employee Benefits Unit
Administrative Services Division**

**Department of Human Resources
Agency of Administration**

Notice to Enrollees in a

Self-Funded Nonfederal Governmental Group Health 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 requirement 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 State of Vermont as a self-funded non-federal governmental employer has elected to exempt the State Employees' Health Plan 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 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 this Federal requirement will be in effect for the plan year, calendar year 2011 beginning January 1, 2011 and ending December 31, 2011. The election may be renewed for subsequent plan years.

HIPAA 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. For questions about HIPAA regulations as they relate to the State Employees' Health Plan, please contact the Employee Benefits Unit by calling (802) 828-0648 or (802) 828-3455 or by mail at:

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