

## **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

In August 1996, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) was signed in to law. This letter is to advise you of the changes and outline some of the provisions that may affect you the most.

### **Late Enrollees – Defined**

In Dane County an employee is a late enrollee if he/she does not complete, sign and submit the enrollment form to the Controller's office during the first 30 calendar days of employment or when first eligible due to a special enrollment period.

Under HIPAA, insurers are no longer allowed to medically underwrite late enrollees to decide whether or not to issue coverage based on their health status. If you waive or decline coverage when you are initially eligible, your ability to enroll later will be seriously affected. Unless your late enrollment satisfies the conditions described under "Special Enrollment Provisions" or you are eligible to enroll under an "Annual Open Enrollment" as stated below, you and your dependents will be required to exhaust a 12-month waiting period. The 12-month waiting period will begin on the date the insurance company receives your late application, which must be in writing. During those 12 months, no benefits will be paid. Your coverage will be effective on the first day of the first month that begins at least 12 months after the date we receive your application, but only if **both** of the following apply:

- You and any dependents you seek to enroll remain eligible for coverage under this policy on that date.
- You were continuously employed by your employer during the 12-month waiting period.

### **SPECIAL ENROLLMENT PROVISIONS**

#### **Loss of Other Coverage**

Employees who waived coverage when first eligible because they were covered under other health insurance coverage must be allowed to have a special enrollment period if he/she loses their other health coverage. If you no longer qualify for insurance under your spouse's insurance plan due to one of the following conditions:

- Death of spouse.
- Divorce or legal separation.
- Voluntary or involuntary termination of your spouse's employment (includes lay-off, leave of absence, and retirement if coverage is not available).
- Spouse's employer discontinues company's health insurance plan.

**The employee has 30 days from the date of the loss of other coverage (due to one of the above events) to complete, sign, and submit an enrollment form to the Controller's office.**

The special enrollment period does not apply to employees and their spouses who choose to discontinue the spouse's coverage due to changes in premium, for causes such as fraud, or failure to pay premiums.

## **Addition of a New Dependent**

Special enrollment periods are allowed if an employee acquires a new dependent through marriage, birth, adoption, or placement for adoption. An employee must complete, sign and submit the enrollment form to the Controller's office within 30 days of the marriage, birth, adoption or placement for adoption. Special enrollment rules allow:

- An eligible employee to enroll when acquiring an eligible dependent.
- An eligible employee and spouse to enroll together when they marry (if two county employees marry, you can only have one family plan or two single plans if you have no other dependents to be covered), or when a child is born, adopted or placed for adoption.
- The employee's spouse to enroll at the time of marriage, or when a child is born, adopted, or placed for adoption.
- A child to enroll who becomes a dependent of the covered employee as a result of marriage, birth, adoption, or placement for adoption.
- A child to enroll who becomes a dependent of an eligible employee as a result of marriage, birth, adoption, or placement for adoption if the employee enrolls at the same time.