



City and Borough of Sitka

100 Lincoln St. Sitka Alaska 99835

IMPORTANT INFORMATION ON THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

This notice will provide you with information on the City and Borough of Sitka group health plan. Federal Law called HIPAA requires that you be notified of your right to enroll in the plan under a special enrollment provision if you acquire a new dependant, or you or eligible dependant decline coverage under this plan because of alternative coverage and later lose such coverage due to certain qualifying reasons. Second, this notice advises you of the plan's preexisting condition exclusion rules that may temporarily exclude coverage for certain conditions that you or our family may have.

SPECIAL ENROLLMENT PROVISIONS

Loss of coverage – If you decline to enroll yourself or your dependants because of other health insurance coverage and that coverage terminates due to certain qualifying reasons, (i.e. exhaustion of COBRA or state law continuation rights; loss of eligibility for other coverage due to legal separation, divorce, death, termination of employment, or reduction in hours; or because employer contributions for other non-COBRA coverage ceases) you “may” in the future be able to enroll yourself or your dependants (whose coverage terminates for a qualifying reason) in this plan, provided that you request enrollment within 30 days after your other coverage ends, and that you meet certain other important conditions described in the Summary Plan Description.

Marriage, Birth or Adoption – If you acquire a new dependant as a result of a marriage, birth, adoption or placement for adoption, you “may” be able to enroll yourself, your spouse, and your newly acquired dependants, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption, and that you meet certain other important conditions described in the Summary Plan Description.

If you decline enrollment for yourself or your dependants, you must complete a “Waiver” form. If you waive your right to enroll for yourself or your dependants and do not have other insurance coverage, you must wait until the plans next open enrollment period to enroll, except in cases of

marriage, birth, adoption, or placement for adoption. If you do enroll during the open enrollment period, you will be treated as a "late enrollee". The preexisting condition exclusion period that will apply to you and your dependants may be 18 months, not the normal 12 months, and can be reduced by creditable coverage under another plan. Please refer to the Summary Plan Description for the description of the late enrollee preexisting condition exclusion period.

PREEXISTING CONDITION PROVISION

Preexisting condition - A condition (whether mental or physical) regardless of the cause of the condition, for which medical advice, diagnosis, care or treatment was recommended or received in the six (6) months prior to your "enrollment date." The waiting period for preexisting conditions is twelve months from your enrollment date. (Eighteen (18) months may apply for late enrollees.)

Prior periods of coverage may shorten or eliminate the plan's twelve-month preexisting condition exclusion period. You will be given credit for all days on which you had qualifying health care coverage prior to joining this plan. Prior days of coverage will reduce the twelve-month preexisting condition exclusion period, provided you did not have a sixty-three (63) day lapse in coverage after you creditable coverage ended. (Please refer to the Summary Plan Description, the lapse period with Blue Cross is 90 days).

A waiting period to get into the plan generally does not count as creditable coverage or as a lapse in coverage. Creditable coverage includes coverage under a group health plan, individual health insurance coverage, a State health benefits risk pool, Medicare, Medicaid, Military health coverage, Indian Health Service or tribal coverage, Federal or public health care plan, Peace Corps plan and certain other health care coverage.

CERTIFICATE OF CREDITABLE COVERAGE

In order for the twelve-month preexisting condition exclusion period to be reduced, you must show that you had prior creditable coverage. You must provide a "**Certificate of Creditable Coverage**" from your prior plan. Most group plans, health insurers and HMO automatically furnish these certificates to individuals when coverage is lost. In addition all plans, insurers and HMOs are required to provide to certificates upon request. The certificate will state how long you had coverage under your prior plan and when it ended.

You have the right to request the certificate from your prior plan. Certificates of Creditable Coverage must be given to the plan administrator.

WOMEN'S HEALTH AND CANCER RIGHTS ACT NOTICE RECONSTRUCTIVE SURGERY FOLLOWING MASTECTOMY

On January 1, 1999, a new federal law, the Women's Health and Cancer Rights Act of 1998, became effective. This law requires group health plans that provide coverage for mastectomies to also provide coverage for reconstructive surgery and prostheses following mastectomies.

The law mandates that a participant who is receiving benefits, on or after the law's effective date for a covered mastectomy and who elects breast reconstruction in connection with the mastectomy, will also receive coverage: all stages of reconstruction of the breast on which the mastectomy has been performed; surgery and reconstruction of the other breast to produce a symmetrical appearance; and prostheses and treatment of physical complications of all stages of mastectomy, including lymphedema. This coverage will be provided in consultation with the patient and the patient's physician and will be subject to the annual deductible and coinsurance applicable under the plan. Please refer to the Summary Plan Description for more information.

**City and Borough of Sitka
Human Resources
100 Lincoln Street – Room 300
747-1816**