

McALLEN INDEPENDENT SCHOOL DISTRICT

*** NOTICE TO ALL EMPLOYEES ***

Under a Federal law known as the Health Insurance Portability Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirements 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. McAllen Independent School District has elected to exempt the McAllen ISD’s Employee Health/Dental Benefit Plan from all of the following requirements:

1. Limitations on preexisting condition exclusion periods.
2. Special enrollment periods.
3. Prohibitions against discriminating against individual participants and beneficiaries based on health status.
4. Standards relating to benefits for mothers and newborns
5. Parity in the application of certain limits to mental health benefits
6. Required coverage for reconstructive surgery following mastectomies

The exemption from these Federal requirements will be in effect for the 2007-2008 plan year beginning October 1, 2007 and ending September 30, 2008. The election may be renewed for subsequent plan years.

HIPAA also 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.

Questions regarding this notice may be directed to Andres Silva, Director Employee Benefits and Safety/Risk Management, at 956-618-7380.