

P/NW Health Benefits Consortium

Issue 48

December 2010

<http://www.pnwboces.org/hbc/hbc.htm>

200 BOCES Drive, Yorktown Hts. NY 10598

<http://www.aetna.com/index.htm>

Aetna customer service – 1-877-223-1685

<http://www.express-scripts.com>

Express Scripts customer services – 1-866-790-8282

<http://www.PNWMeds.com>

PNWMeds/CanaRx – 1-866-893-6337

This notice is being sent to you and your family members as required by federal law.

Notice about the Early Retiree Reinsurance Program

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in the Putnam Northern Westchester Health Benefits Consortium Health Plan. The Consortium Plan is an employment-based health plan and is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out of pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimburse for this purpose.

A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.

Mental Health Parity Exemption

Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the federal benefits requirements listed below.

- Limitations on preexisting conditions;
- Special enrollment periods;
- Prohibitions against discriminating based upon health status;
- Standards relating to benefits for newborns and mothers;
- Parity in the application of certain limits to mental health benefits;
- Reconstructive surgery following mastectomy.

However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from any, or all, of these requirements for any part of the plan that is “self-funded” by the employer, rather than provided through a health insurance policy. **Putnam/Northern Westchester Health Benefits Consortium is self-funded and has elected to exempt the 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 period January 1, 2011 – December 31, 2011. The election may be renewed for subsequent plan years.

Please note that this exemption will not reduce your current benefit in any way. All mental health benefits currently provided will be maintained.

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.