

New HIPAA Special Enrollment Rights

I hope you all might be aware about the special enrollment rights from HIPAA, here are some details about it.

Latest Special Enrollment Rights originated by Children's Health Insurance Program Reauthorization Act of 2009 made effective from April 1, 2009 imposes new notice and disclosure obligations for employers. New HIPAA Special Enrollment Rights requires employers to provide a new notice to employees, and requires employers to disclose certain health plan information to states. The HIPAA Special Enrollment rights are not applicable to health FSAs as they are treated as excepted benefits.

New HIPAA Special Enrollment Events:

Loss of Coverage Due to Loss of Eligibility for Medicaid or CHIPs

An employer group health plan must permit eligible employees special enrollment if employees loses its Medicaid or CHIP coverage due to loss of eligibility.

Eligibility for Premium Assistance under Medicaid and CHIPs

An employer group health plan must permit eligible employees special enrollment if employees becomes eligible for Medicaid or CHIP premium assistance.

New HIPAA Special Enrollment Notice:

The final HIPAA regulations require that group health plans must notify to each employee and his or her dependents of any potentially and currently available premium assistance program in the state where the employee resides. The Department of Health & Human Services is directed by Congress to develop model notices by February 4, 2010 to comply with the notice requirement. These notices can be provided stand-alone or can be distributed along with health plan eligibility notices, open enrollment materials or summary plan descriptions.

Group health plan administrators are required to disclose information that a state needs to determine cost-effectiveness for its provision of premium assistance. Here also the DOL and HHS have been directed to develop a model coverage coordination disclosure form that will apply to information required by the states beginning with the first year on or after development of the model notice.

The notice must be issued not later than eligibility under the health plan. The employee must request for the new special enrollment events within 60 days of the loss of Medicaid or CHIP coverage or determination of eligibility for Medicaid or CHIP premium assistance. Failure to comply with the employee notice requirement or to disclose required health plan information to the state may penalize employers with \$100 per day.

What now employers required to do?

Employers need to revise mid-year enrollment policies, amend all health and welfare plan documents and Section 125 cafeteria plan documents. Apart from this employers should review their current plan coordination of benefit rules and make necessary changes required to make to the group health plan to Medicaid or CHIP coverage.

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