

**Notice to Enrollees in the NAPEBT Medical Plan
(a Self-Funded Nonfederal Governmental Group Health Plan)**

Under a Federal law known as the Health Insurance Portability and 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. NAPEBT has elected to exempt the NAPEBT Medical Plan from the following requirements:

- Parity in the application of certain limits to mental health benefits. Benefits affected by this exemption include the part of the Parity regulations that require that 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 these Federal requirements will be effective for the 2010 plan year beginning on July 1, 2010 through June 30, 2011. The election may be renewed for subsequent plan years.

NAPEBT reserves the right to amend the Medical Plan during the plan year.

In 2010, NAPEBT is going to continue to provide the same mental health and substance abuse and Employee Assistance Program (EAP) benefits we offered in 2009. This means that you will still have access to inpatient admissions to a maximum of 30 days per year, and unlimited outpatient mental health and substance abuse services received through the Behavioral Services Administrator (BSA); but certain requirements of the Parity regulation will not have to be met by the NAPEBT Medical plan. Additionally, behavioral therapy for the treatment of Autism Spectrum Disorder is still available for members who have been diagnosed with Autism Spectrum Disorder. The Plan pays a maximum \$50,000 per calendar year per member, ages 0 through 8; and pays a maximum of \$25,000 per calendar year, per member, ages 9 through 16.

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.

If you have any questions regarding this exemption, please contact the Plan Administrator at (928) 679-7100.