

EXEMPTION FROM MENTAL HEALTH & SUBSTANCE USE DISORDER PARITY

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. The Arizona Local Government (AZLGEBT) has elected to be exempt 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 benefit 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 was in effect for the Plan Year beginning July 1, 2010 and ending June 30, 2011. This election has been renewed for subsequent Plan Years.

If you have any questions regarding this election to exempt AZLGEBT from the requirements of the Mental Health Parity and Addiction Equity Act, please feel free to contact your employers Human Resources or Benefits Department.