

NOTICE OF HIPAA SPECIAL ENROLLMENT RIGHTS AND PRE-EXISTING CONDITION EXCLUSIONS

Federal law (called HIPAA) requires that we notify you about two very important provisions in the plan. The first is your right to enroll in the plan under its "special enrollment provision" if you acquire a new dependent, or you or an eligible dependent decline coverage under this plan because of alternative coverage and later lose such coverage due to certain qualifying reasons. Second, this notice advises you of the plan's pre-existing condition exclusion rules that may temporarily exclude coverage for certain pre-existing conditions that you or your family may have.

SPECIAL ENROLLMENT PROVISIONS

Rule #1 - Loss of Coverage. If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, and that coverage terminates due to certain qualifying reasons (i.e., exhaustion of COBRA or state law continuation rights; loss of eligibility for other coverage due to legal separation, divorce, death, termination in employment or reduction in hours; or because employer contributions for the other coverage cease) you "may" in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your other coverage ends, and that you meet certain other important conditions described in the plan SPD (Summary Plan Description).

Rule #2 - Marriage, Birth, or Adoption. In addition, if you acquire a new dependent as a result of marriage, birth, adoption, or placement for adoption, you "may" be able to enroll yourself, your spouse, and your newly acquired dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption, and that you meet certain other important conditions described in the SPD.

PRE-EXISTING CONDITION PROVISION

Pre-existing Condition Defined. A pre-existing condition is any condition (whether physical or mental), regardless of the cause of the condition, for which medical advice, diagnosis, care or treatment was recommended or received within the 6-month period ending on your enrollment date or, if earlier, the first day of the waiting period for such enrollment. **This pre-existing provision may not apply to your plan. Please refer to your SPD (Summary Plan Description) for exact details.**

For How Long is Coverage for Pre-Existing Conditions Excluded? This plan may exclude coverage for your or your dependents' pre-existing conditions, starting on your enrollment date, or, if earlier, the first day of the waiting period for such enrollment. **Please refer to your SPD for the exact number of months that apply or if this provision applies to your plan at all.**



P.O. Box 458022 • Westlake, Ohio 44145
Toll Free 800-634-0173 • Fax 440-250-4301
benefits@jpfarley.com • www.jpfarley.com

Prior Periods of Coverage May Shorten or Even Eliminate our Plan's Pre-Existing

Conditions Exclusion Period. In general, you will be given "credit" for all days on which you had qualifying health care coverage prior to joining our plan. Days of prior coverage are "credited" by reducing, day-for-day, the pre-existing condition exclusion period you otherwise would face under the plan. More specifically, our plan's pre-existing conditions exclusion period will be shortened one day for each day that you had "creditable coverage" under another health plan, provided that you do not have a 63-day lapse in coverage after your creditable coverage ended. A waiting period to get into a plan generally does not count as a lapse in coverage. (Some people elect COBRA coverage under their prior plan just to ensure they don't experience a 63-day lapse in coverage.) Creditable coverage includes coverage under a group health plan, individual health insurance coverage, a State health benefits risk pool, Medicare, Medicaid, and certain other coverages. Coverage you may have as a dependent - e.g. under your spouse's plan - will count for this purpose.

How to Show Us That You Had Creditable Coverage Before Joining our Plan. In order for the pre-existing condition exclusion to be shortened as described above, you must show us that you had prior creditable coverage under another group health plan, a health insurance policy, a State health benefits risk pool, Medicare, Medicaid, etc. To demonstrate to us that you had other creditable coverage, you should provide us with a "certificate of creditable coverage" from your prior plan. Other evidence of coverage will also be accepted. Most group health plans, health insurers and HMOs automatically furnish these certificates to individuals when coverage is lost. In addition, all plans, insurers and HMOs are required to provide these certificates upon request. The certificate will tell us how long you had coverage under your prior plan, and when it ended.

You have the right to request a certificate from a prior plan, insurer, HMO, or other entity through which you had creditable coverage. If, after making reasonable efforts, you have difficulty getting a certificate from your prior plan, insurer, HMO, or other entity through which you had creditable coverage, please contact us at the address or phone number above, and we will attempt to assist you.

After we receive your certificate(s) or other evidence of coverage, we will determine whether, and for how long, our plan's pre-existing condition period will apply to you. If we determine that our plan's pre-existing condition exclusion period will apply to you, we will advise you of this.