

THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

According to the Health Insurance Portability and Accountability Act (HIPAA) of 1996, employers are required to provide terminated employees with a HIPAA Certificate upon termination. This Certificate must state the details and dates of their insurance coverage during their **entire** employment with that company. If this regulation is not adhered to, employers will be subject to a substantial monetary fine through the federal government.

SummaCare works with you to comply with these regulations. Upon termination, SummaCare will mail a HIPAA Certificate to the employee's (SummaCare member) home, stating the benefit information required by this federal law. (See sample HIPAA Certificate on the next page.) SummaCare does not issue HIPAA Certificates for self-funded employers.

The HIPAA Certificate issued by SummaCare WILL NOT notify the employee of any other insurance history outside of their SummaCare coverage. It WILL NOT provide the terminated employee with a complete insurance coverage history.

The Certificate format issued by SummaCare was provided by the Department of Health and Human Services. This Certificate can be duplicated for your use or obtained through SummaCare's Customer Service Department.

For more information on the Health Insurance Portability and Accountability Act (HIPAA) of 1996, please see Federal Regulation 9801, visit the Department of Health and Human Services' website at www.dhhs.gov or call 410-786-1656.

Example:

If an employee is terminated from ABC Company after seven months, they must receive a HIPAA Certificate. When the employee was hired by ABC Company, they enrolled in ABC's Health Plan, which was offered by ABC Company at that time. Three months later, ABC Company changed their employee's coverage to SummaCare.

Upon termination, SummaCare will automatically issue a HIPAA Certificate stating the employee's insurance coverage history under SummaCare (three months) and mail it directly to the employee's home. ABC Company is now required to issue a HIPAA Certificate to the terminated employee stating that the employee was covered under ABC's Health Plan for the first four months they were employed by ABC Company.