

HEALTH PLAN UPDATE

Several deadlines are rapidly approaching for health plans this spring.


For large group health plans, the HIPAA Privacy Regulations require that the privacy notice be issued at least once every three years. Since the first notice for large group health plans should have been issued by April 14, 2003, the first three year notice will be required by April 14, 2006, if an interim notice has not been issued. Group health plans also should consider reviewing their compliance policies and procedures, training programs and business associate agreements to ensure all are compliant. Small group health plans have until April 14, 2007, to issue the interim notice.

On April 20, 2007, the HIPAA Security Regulations will have been effective for small group health plans (those with less than \$5,000,000 in total costs per year) for over a year and for large group health plans for two years. Group health plans should determine whether they have documented their ongoing compliance with all of the standards under the HIPAA Security Regulations.

By March 31, 2006, all group health plans providing prescription drug coverage are required to provide notice to the Center for Medicare and Medicaid Services ("CMS") regarding whether or not their health plan's prescription drug coverage constitutes creditable coverage for purposes of the retirement drug subsidy. The deadline applies for plan years that end in 2006. For plan years that will end in 2007 and later years, the disclosure of creditable coverage status must be provided annually within 60 days after the beginning date of the plan year for which the entity is providing the disclosure. The CMS notice requirement will continue to be an annual requirement thereafter. The notice can be provided to CMS electronically. While an employer may have provided the notice to CMS as part of their request for the subsidy in their subsidy application, if an employer maintains a group health plan for which it did not seek the subsidy, this group health plan also must provide the notice to CMS. The form for the notice can be found at <http://www.cms.hhs.gov/creditablecoverage>. A notice must be provided when the creditable coverage status changes.

USERRA NOTICE

Final Regulations were issued by the U.S. Department of Labor on December 19, 2005, regarding the Uniformed Services Employment and Reemployment Rights Act requiring, among other things, the posting of an updated notice by January 18, 2006. The notice provided with the Final Regulations is attached.



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