

HIPAA Information

Under federal law, if you lose your group coverage, you may be eligible for guaranteed coverage through the Health Insurance Portability and Accountability Act (HIPAA). Under state law, if your individual insurance carrier has elected to discontinue all health insurance coverage in the individual market in Louisiana, you may be eligible for coverage.

The Louisiana legislature, in conjunction with the Department of Insurance, has approved the HIPAA Plan, making available comprehensive major medical benefit coverage for Louisiana residents. Usually, pre-existing conditions are covered immediately. If you complete your enrollment in the HIPAA Plan within the 63-day time frame, this coverage is guaranteed to be renewable. These advantages may not be available to you in other plans.

Under state law, if your individual insurance carrier has elected to discontinue all health insurance coverage or an individual health insurance product in the individual market in Louisiana, you may be eligible for coverage.

YOU MAY BE ELIGIBLE

To be eligible for HIPAA coverage, you must be a Louisiana resident and:

Your most recent health insurance coverage must have been under a group plan; or under an individual plan where the carrier has elected to discontinue all health insurance coverage or an individual health insurance product in the individual market in Louisiana

If your coverage was under an eligible individual plan, you must have had all 18 months of previous, continuous coverage in the state of Louisiana

You must have a total of 18 months of "Creditable Coverage"; and

You must not be eligible for health insurance coverage under another group plan, Medicare or Medicaid; and

You must not be covered by any major medical health insurance plan; and

If applicable, you must have elected and exhausted all COBRA and continuation benefits.

Your most recent coverage must not have been terminated because of non-payment of premium, fraud or material misrepresentation.

WHAT YOU WILL NEED

To be eligible for the HIPAA pool, your application **MUST** be postmarked within 63 days of the ending date of your group coverage or COBRA benefits or the date that your individual health insurance carrier terminated your coverage.

You will need a Certificate of Creditable Coverage (sometimes called a Certificate of Portability) from your current group insurance company or COBRA carrier. The Certificate is a letter that lists the date your group coverage began and the date the coverage ended. Your health carrier normally will not issue this until **AFTER** your coverage has ended. Therefore, you will not be able to include it with your application. A copy of the Certificate of Creditable Coverage can be mailed or faxed to Louisiana Health Plan (LHP) when you receive it.

If your insurance carrier stopped writing business in Louisiana, we will need a copy of the letter of notice you received from the insurance carrier notifying you when your coverage will end. You must continue coverage until the ending date.

If your application is received at the LHP office before your group coverage or COBRA benefits are exhausted (or the date that your individual insurance carrier will end your coverage because they are terminating business in Louisiana) your coverage will begin the day after your coverage expires. If your application is received at the LHP office after your coverage expires (but within 63 days), your coverage will begin on the postmark date.

HIGHLIGHTS OF PLAN

The HIPAA Plan offers traditional major medical health insurance coverage. All policies are individual policies. There are no mental and nervous benefits. There is an extremely limited one-time maternity benefit. If you take advantage of our Preferred Provider Network (PPO), you may receive additional savings. You are not required to use the PPO Network. You may go to any physician, hospital or other health care provider you choose for covered services. Pre-certification is required for hospital admissions and out-patient surgery. If you do **NOT** use the PPO network, you are not entitled to the PPO Savings Discount.

CAN YOU AFFORD THE PREMIUM?

The enclosed rate sheet will give you an idea of premiums. Remember that rates are based on different deductibles, gender (male and female), age, and geographic location (based on zip codes). Non-smokers may be entitled to the discounted rate.

The premiums are 200% of the average rates for the top five carriers in the state of Louisiana. The rates are adjusted in January each year for all policyholders. Policyholders renew their policies annually and can only change to a higher deductible, if they so desire. Policyholders CANNOT select a lower deductible.

SUMMARY OF BENEFITS

Major Medical Expense Benefits For All Plans

Only individual coverage is provided. No group coverage is available. Plans are defined by the deductible amount and stop loss limit (maximum out-of-pocket expense).

Deductible means the amount of eligible expenses that must be paid before the policy starts to pay. Stop Loss Limit means the amount of eligible expenses that must be incurred after the applicable deductible is met.

| | |
|---|-----------|
| Maximum Benefits Payable per Lifetime | \$500,000 |
| Maximum Benefits Payable per Calendar Year | \$100,000 |
| Maximum Benefits Payable for Prescription Drugs Per Calendar Year (included in Calendar Year Maximum of \$100,000) | \$15,000 |
| Maximum Benefits Payable for Eligible Transplants | \$100,000 |

| | |
|--------------|--|
| Per Lifetime | |
|--------------|--|

Deductible Per Individual

All Eligible Expenses incurred are subject to the following deductible per Calendar Year for individuals:

Plan J \$1,000

Plan K \$2,000

Plan L \$3,500

Plan M \$5,000

Stop Loss Limits

Maximum Out-Of-Pocket Expense (after deductible has been met)

Plan J \$3,500

Plan K \$4,500

Plan L \$4,500

Plan M \$4,500

After the Stop Loss Limit (Maximum Out-Of-Pocket Expense) is reached, LHP will pay 100% of covered reasonable and customary charges up to the applicable maximum benefits limit.

The Benefit Period is the Calendar Year (Jan. 1 - Dec. 31).

Benefit/Coinsurance Percentages

(after deductible has been met)

| | Benefit Percentage (LHP Pays) | Coinsurance Percentage (You Pay) |
|--------------------------------|-------------------------------------|--|
| Eligible Expenses (in general) | 75% | 25% |
| Eligible In-Patient Hospital | 50% | 50% |
| Without Pre-Certification | 75% | 25% |
| With Pre-Certification | | |
| Eligible Out-Patient Surgery | 50% | 50% |
| Without Pre-Certification | 85% | 15% |
| With Pre-Certification | | |

Prescription Drugs

(after deductible has been met)

| | Benefit Percentage (LHP pays) | Coinsurance Percentage (You Pay) |
|--|-------------------------------------|---|
| | | |

| | | |
|------------------|-----|-----|
| Brand Name Drugs | 70% | 30% |
| Generic Drugs | 80% | 20% |
| Mail Order Drugs | 90% | 10% |

HOW TO APPLY

Contact Trish Freeman Insurance Services at 1.888.250.5564 or 225.622.6554 and ask for an application for the HIPAA pool.

You may also reach us at our e-mail address: trishf@eatel.net

The fax number for Trish Freeman Insurance Services is (225) 622.3070.

The HIPAA policy cannot be issued until LHP receives ALL of the requested information.