Mental Health Parity and Addiction Equity Act of 2008 Opt-Out

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 University of Alabama has elected to exempt its self-funded University of Alabama Health Plan, administered by Blue Cross and Blue Shield of Alabama, from mental health parity for which exemption is permitted.

Group health plans (of employers that employ more than 50 employees) offering mental health benefits may not set annual or lifetime dollar limits on mental health benefits that are lower than limits for medical and surgical benefits. A plan that does not impose an annual or lifetime dollar limit on medical and surgical benefits may not impose that type of limit on mental health benefits. Pursuant to the Mental Health Parity and Addiction Equity Act of 2008, these requirements now apply to benefits for substance abuse disorders (alcoholism/drug addiction/chemical dependency).

Under the University of Alabama Self-Funded Group Health Plan, in-patient care for mental health disorders and substance abuse rendered at an: 1) in-network facility is covered at 100% of the allowed amount, subject to the co-pay and the medical deductible, 2) out-of-network facility is covered at 80% of the allowed amount, subject to the co-pay and the medical deductible. The copay is $350 per admission per calendar year and applies to in and out-of-network inpatient care up to a maximum of three per person per calendar year. In-patient care for mental health disorders and substance abuse is limited up to 30 days for both in and out-of-network facilities during any 12 consecutive months. Admissions for substance abuse are limited to two per member per lifetime. In-patient physician services are covered up to 30 days of treatment during any 12 consecutive months for both in and out-of-network facilities. Outpatient physician services are covered at 100% of the allowed amount, subject to the $35 per visit co-pay and the medical deductible.

HIPAA also requires the Plan to provide covered employees and dependents with a "certificate of creditable coverage" when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer’s health plan, or if you wish to purchase an individual health insurance policy.