

News Release



U.S. Department of Labor
Office of Public Affairs
Washington, D.C.
Release Number 04-2540-NAT

For Immediate Release
Date: December 30, 2004
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Bush Administration Announces Final Rules On Portability of Health Coverage

WASHINGTON -- Today final rules were issued under the 1996 law on health insurance portability that gives workers greater access to group health plan coverage. The rules were drafted by the U. S. Departments of Labor, Health and Human Services and Treasury.

In 1996, Congress enacted the Health Insurance Portability and Accountability Act (HIPAA) to provide greater portability and availability of group health coverage when workers and family members change or lose a job. The law imposed limits on preexisting conditions that could be imposed and allow special enrollment for certain life events.

The regulations essentially adopt the interim final rules issued by the three agencies in 1997, but include several significant modifications. The rules already contained limits on preexisting exclusions that group health plans and insurance issuers can impose and allowed workers to receive credit for prior health coverage from virtually all sources (group health, individual insurance or public health plans) to reduce a future preexisting condition exclusion. Individuals also automatically receive certificates demonstrating prior health coverage. The final rules require an educational statement to be included in the certificate of coverage, explaining individuals' rights to health coverage portability, and include model language that employers can use.

The three agencies also published a proposed regulation modifying the break in coverage and special enrollment rules. The proposal gives workers who have not received a certificate of creditable coverage additional time to exercise their rights by delaying the start of the special enrollment period and the break in coverage period until the certificate is provided, up to 44 days. In addition, the three agencies published a request for information to obtain comments on whether benefit-specific waiting periods, such as a 12-month waiting period on benefits for diabetes, can function as preexisting condition exclusions that must comply with HIPAA's portability provisions.

The final regulations are published in the Dec. 30 *Federal Register*. Comments on the proposal and RFI can be submitted to any of the three agencies. Comments may be addressed to the Department of Labor at: U.S. Department of Labor, Employee Benefits Security Administration, 200 Constitution Avenue, NW., Room C-5331, Washington, D.C. 20210, or by email to e-ohpsca.ebsa@dol.gov.

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