



**Notice to Enrollees in a  
Self-Funded Non-Federal Governmental Group Health Plan**

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 City of Waco has elected to exempt the City of Waco Employee Benefit Plan from the following requirement:

1. Limitations on preexisting condition exclusion periods.

A preexisting condition exclusion period generally may not exceed 12 months, and generally must be reduced by prior health coverage an individual has had. Also, a plan may not impose any preexisting condition exclusion relating to pregnancy as a preexisting condition, nor, under certain conditions, with respect to newborns or children adopted or placed for adoption.

The exemption from this Federal requirement will be in effect for the plan year beginning October 1, 2007 and ending September 30, 2008. The election may be renewed for subsequent plan years.

The City of Waco Employee Benefit Plan complies with all requirements of HIPAA concerning limitations on preexisting condition exclusion periods with the exception of the requirement that the preexisting condition exclusion period be reduced by the number of days of creditable coverage the individual has as of the enrollment date.

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.