



The Egyptian Trust continues to opt out of full compliance with the federal Mental Health Parity law. As a nonfederal governmental plan, the Trust has the right to opt out of compliance with this law. Until final regulations are issued, the Board has chosen to wait to make a decision on whether and how to change the mental health and substance abuse benefits provided under the Plans. To opt out, the Trust is required to provide the following notice to participants before September 1, 2014 explaining the decision to opt out of the parity requirements.

### **Important Notice to Participants**

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 one or more of these requirements for a plan that is self-funded rather than provided through a health insurance policy.

The Egyptian Area Schools Employee Medical Benefit Plan complies with the following Federal law requirements. These are described in your Plan booklet.

1. Limitation on pre-existing condition exclusion periods.
2. Special enrollment periods.
3. Prohibitions against discriminating against individual participants and beneficiaries based on health status.
4. Standards relating to benefits for mothers and newborns.
5. Required coverage for reconstructive surgery following mastectomies.
6. Coverage of dependent students on medically necessary leave of absence.

The Egyptian Area Schools Employee Benefit Trust has elected to exempt the Employee Medical Benefit Plan from compliance with some requirements of the following Federal law:

1. Parity in the application of certain limits to mental health benefits.

The first Federal mental health parity law was enacted in 1996. The Plan complies with the requirements of the 1996 law. The mental health parity law was amended in 2008, effective for plan years beginning in 2010. The Plan has elected to be exempt from some requirements of the new parity law and related regulations. The Plan will continue to provide the same benefits for mental health and substance abuse conditions as it did in the previous plan year.

The exemption from this Federal requirement will be in effect for the Plan year beginning September 1, 2014 and ending August 31, 2015. The election may be renewed for subsequent Plan years.