



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Group Administrator Memo #02-07

To: Group Benefits Administrators
From: C. S. Reed, Associate Director
State and Local Health Benefits Programs
Date: July 8, 2002
Re: Certificates of Group Health Plan Coverage

In the past few days, we have discovered that some confusion exists concerning who is responsible for issuing Certificates of Group Health Plan Coverage as required by the Health Insurance Portability and Accountability Act (HIPAA). **Each The Local Choice (TLC) group is responsible for preparing and distributing these forms. They are not prepared or sent to the terminated member by Trigon, or any of the other carriers. Failure to comply with HIPAA (a federal law) may result in substantial monetary penalties for your individual group.**

All persons who cease to be covered under the Local Employer's Health Benefits Program for any reason must be issued a Certificate of Group Health Plan Coverage, as required by HIPAA. A copy of this form is attached for your use. It should be prepared on your letterhead and may be sent at the same time that the Extended Coverage notice is sent. Both forms may also be found soon on the Web at <http://www.thelocalchoice.state.va.us>.

Group Benefit Administrators should furnish Certificates of Coverage automatically to:

- Any individual who is entitled to elect Extended Coverage when the extended coverage notification is sent.
- Any individual who loses coverage and is not eligible for Extended Coverage. For example, a voluntary reduction in membership i.e., as spouse obtains a job with his own benefits.
- Any individual upon request if the request is made within 24 months after the individual loses coverage under the plan.

Please feel free to contact TLC at (804) 786-6460 if you have questions or if we may be of assistance.

Enclosure

Attachment B
SAMPLE

The Local Choice (TLC) – Certificate of Creditable Health Coverage

This certificate provides evidence of your prior creditable health coverage. You may need to furnish this certificate if you become eligible under a health plan that excludes coverage for certain medical conditions that you have before you enroll. This certificate, as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), is furnished to everyone leaving a TLC Health Benefits Program. (except for Medicare Supplement Plans). If you become covered under another health plan, check with the plan administrator to see if you need to provide this certificate. It would apply if your new plan has a pre-existing conditions provision and medical advice, diagnosis, care or treatment for such a medical condition was received or recommended for you or a covered family member within the six-month period before enrollment in the new plan. If you have at least 18 months of creditable service as defined by HIPAA, you may have certain additional rights that may be exercised when securing individual coverage. Please be advised that insurers that offer individual health plans in the Commonwealth of Virginia must recognize creditable coverage so long as the employee has at least 18 months of creditable coverage and received their most recent health coverage under an employment-related group health plan. Please note that periods of creditable coverage prior to a 63-day break in coverage may be disregarded by the new health plan. You may obtain additional certificates for you or your covered family members from your Benefits Administrator/Employer Representative should you need them during the 24 months following your termination from the plan.

Date of this Certificate: _____

Name of Participant: _____

Name of Health Care Plan: _____

Participant's Identification Number: _____

Membership Level (Single, Employee + One, Family): _____

Names of Dependents for Whom this Certificate also Applies: _____

Was the Period of Creditable Coverage More than 18 Months? (Yes/No): _____
(Disregarding periods of coverage before a 63-day break)

If Less than 18 Months, Date Coverage Began: _____

Date Coverage Ended: _____

Date Waiting Period Began: Not Applicable _____

Benefits Administrator/Employer Representative preparing this certificate and to whom questions should be addressed:

Name: _____

Address: _____

Agency: _____ Telephone No: _____

Note: Separate certificates will be furnished if information is not identical for the participant and each beneficiary.