

Notice to Valley Schools Management Group Enrollees in the
Self-Funded Nonfederal Governmental Group Health Plans

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 government employers that sponsor health plans to elect to exempt a plan from these requirements for part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. Valley Schools has elected to exempt all self-insured plans it sponsors from the following requirements:

Parity in the application of certain limits to mental health benefits. Group health plans (of employers that employ more than 50 employees) that provide both medical and surgical benefits and mental health or substance use disorder benefits must ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant financial requirements and treatment limitations applicable to substantially all medical and surgical benefits covered by the plan.

The effect of exempting these plans is that your current coverage for mental health and substance abuse in your summary plan document will not be changed. Your current coverage provides limits to the number of counseling visits, annual hospitalization days, and other items which are not substantially the same as benefits provided for other medical and surgical benefits covered by the plan.

This exemption is effective from July 1, 2011 through and including June 30, 2012. Each year thereafter, Valley Schools Management Group must decide whether to seek and exemption from the Centers for Medicare & Medicaid Services. If future exemptions are requested and granted in the future, you will continue to receive annual notice during your open enrollment or special enrollment period.