

Fact Sheet: The Health Insurance Portability and Accountability Act (HIPAA)

U.S. Department of Labor
Employee Benefits Security Administration
November 2015

The Health Insurance Portability and Accountability Act (HIPAA) offers protections for millions of America's workers that improve portability and continuity of health insurance coverage.

HIPAA Protects Workers and Their Families by

- Providing additional opportunities to enroll in group health plan coverage when they lose other health coverage, get married or add a new dependent.
- Prohibiting discrimination in enrollment and in premiums charged to employees and their dependents based on any health factors.
- Preserving the states' role in regulating health insurance, including the states' authority to provide greater protections than those available under Federal law.

Special Enrollment Rights

Special enrollment allows individuals who previously declined health coverage to enroll for coverage outside of a plan's open enrollment period. There are two types of special enrollment:

- Loss of eligibility for other coverage - Employees and dependents who decline coverage due to other health coverage and then lose eligibility or employer contributions have special enrollment rights. For example, an employee who turns down health benefits for herself and her family because the family already has coverage through her spouse's plan can request special enrollment for her family in her own company's plan.
- Certain life events - Employees, spouses, and new dependents are permitted to special enroll because of marriage, birth, adoption, or placement for adoption.

For both types, the employee must request enrollment within 30 days of the loss of coverage or life event triggering the special enrollment.

Nondiscrimination Prohibitions

Employees and their family members cannot be denied eligibility or benefits based on certain "health factors". They also cannot be charged more than similarly situated individuals based on any health factors. "Health factors" include medical conditions, claims experience, and genetic information.

HIPAA and the Affordable Care Act (ACA) also provide protections from impermissible discrimination based on a health factor in wellness programs related to group health plan coverage (such as those that encourage employees to work out, stop smoking or meet certain health standards such as a target cholesterol level).

Preserving the States' Role

If a health plan provides benefits through an insurance company or HMO (an insured plan), HIPAA may be complemented by state laws that offer additional protections. For example, states may increase the number of days parents have to enroll newborns, adopted children, and children placed for adoption or require additional special enrollment circumstances.

Preexisting Condition Exclusions

The ACA prohibits plans from imposing preexisting condition exclusions for plan years beginning on or after January 1, 2014. For prior years, HIPAA limited these exclusions and required plans to offset preexisting condition exclusion periods if the individual had prior health coverage.