



HR

Legal Compliance

Courtesy of Meridian Benefits Consulting

Q

How do HIPAA's nondiscrimination rules affect an employer?

A

The Health Insurance Portability and Accountability Act (HIPAA) prohibits discrimination by group health plans and insurers based on factors related to health status. HIPAA nondiscrimination rules affect employers in various ways:

- HIPAA does not allow a group health plan to deny an individual eligibility for benefits or to charge a higher premium than is required of a similarly situated individual based upon health factors such as:
 - Health status or medical history
 - Medical condition (physical or mental)
 - Receipt of health care
 - Claims experience
 - Genetic information
 - Evidence of insurability
 - Disability
- HIPAA does not allow group health plans to require employees to pass physical exams in order to be eligible for health insurance coverage.
- HIPAA does not allow group health plans to delay an individual's effective date for coverage because he or she is confined to a hospital or because he or she is not actively at work.
- HIPAA states that group health plans may include benefit limitations within their plans as long as the limitations apply uniformly to all similarly situated individuals.
- HIPAA states that group health plans may not charge employees higher premiums or deny them health insurance coverage based upon the employees' participation in dangerous or hazardous activities.
- HIPAA permits group health plans to treat individuals with adverse health factors more favorably.