

**HR-E Alert**  
**HURRICANE KATRINA AND HEALTH COVERAGE**  
**September 6, 2005**

Many Gulf Coast residents displaced by Hurricane Katrina currently or in the near future will need to access emergency or other medical care prompting questions about their health coverage.

Reductions in hours of employment, banking and payroll disruptions and other Katrina-associated fall out likely will impact on the eligibility of many Gulf Coast refugees and their families for enrollment or continued enrollment in medical or other insurance coverage. In addition, participants and beneficiaries relocated outside their normal service area also are likely to have questions about the effect of securing emergency as well as other more routine care outside normal provider networks, without preauthorization or the like on their health benefits.

Employers and other health plan sponsors and administrators should quickly assess their health and other plan documents and policies to determine the impact of these events on the eligibility of Hurricane Katrina victims. In some cases, state insurance commissioners may have ordered, or insurers voluntarily may have implemented special rules temporarily extending coverage or providing other special relief for Katrina victims. In other instances, certain plan sponsors may wish to amend or waive eligibility conditions for employees and their families impacted by Hurricane Katrina to prevent or delay losses of coverage for affected employees or their families.

Where reductions in hours will result in terminations of coverage, plan sponsors and administrators should act quickly to ensure that notification of continuation required under the Consolidated Omnibus Reconciliation Act ("COBRA") or other plan terms or regulatory requirements impacting on eligibility, certificates of creditable coverage required by the Health Insurance Portability and Accountability Act ("HIPAA"), and other required notifications are timely and promptly sent. In sending these notifications, plan sponsors and administrators should keep in mind that the Gulf Coast destruction will prevent or delay delivery of mail to the pre-Hurricane address of record for many victims of Hurricane Katrina. Special efforts should be made to ensure that address information for refugees are promptly updated and that other appropriate procedures are put in place to provide for appropriate delivery of notice. Plan administrators also are reminded of the advisability of reviewing existing forms and practices to ensure that they have been properly updated to comply with recent changes in the governing COBRA and HIPAA regulations. Additionally, most employers, insurers, plan sponsors and plan administrators will want to implement other back up strategies to prepare for and address the highly foreseeable likelihood that many victims may not receive notices and certificates in a timely fashion.

The exigencies affecting Hurricane Katrina victims also are likely to create other health coverage concerns. Health insurers, health plan sponsors, and health plan administrators should review their policies and plan documents to identify conditions likely to heavily impact Hurricane Katrina refugees. Most Hurricane Katrina victims presently do not have copies of their summary plan descriptions or insurance policies readily accessible. Also, many Hurricane Katrina refugees now are living outside the service region of their health plan's normal provider network, may not be able to contact their gatekeeper physician, may lack required contact information to comply with utilization management requirements, may overlook in their time of crisis the need or advisability of securing preauthorization or have other foreseeable problems making optimal use of their health coverage. Most health plans include special provisions that waive or delay compliance with these and other conditions when a covered person seeks emergency care, while continuing to require adherence to cost containment or other managed care requirements for more routine care. Many insurers have adopted special policies to provide relief from these or other coverage conditions for Hurricane Katrina victims. Information about the special policies implemented by a particular insurance company generally will be available on the issuing insurer's website. The Americas Health Insurance Plans, an association of health insurers, also has posted information about the special policies adopted by some of its member insurers on its website at <http://www.ahip.org/HurricaneResponse/>.

Many self-insured health plan sponsors and administrators also may desire to implement special rules or communications to facilitate the ability of those affected by Hurricane Katrina to access coverage under their plans. Employers, plan sponsors and administrators should verify that they have secured any required written approvals required from group or stop loss insurers before approving eligibility or coverage not currently authorized under existing plan documents to avoid incurring unanticipated liability not covered by existing insurance contracts and to avoid undertaking greater than anticipated obligations. To comply with applicable Federal law, employers also will want to adopt appropriate written plan amendments documenting their adoption of these special rules and ensure that plan changes are properly and timely communicated by plan administrators and fiduciaries. Employers, insurers, plan administrators and fiduciaries also should exercise care when providing reassurances to employees and providers about plan eligibility or coverage and making other plan related communication to avoid creating unanticipated liabilities.

If you have questions or need help evaluating or responding to the effects of Hurricane Katrina on your human resources, employee benefit, insurance or other operations, or to request information about upcoming programs or alerts, please contact: Cynthia Marcotte Stamer, P.C., Member, Glast, Phillips & Murray, P.C., 2200 One Galleria Tower, 13355 Noel Road, LB 48, Dallas, Texas 75240. Telephone (972) 419-7188. E-mail [cstamer@gpm-law.com](mailto:cstamer@gpm-law.com). For additional information about Ms. Stamer and/or Glast, Phillips & Murray, P.C., see [CynthiaStamer.com](http://CynthiaStamer.com) or [gpm-law.com](http://gpm-law.com) or contact Ms. Stamer. If you would like to receive future Alerts or announcements about other programs or developments, please be sure that we have your current contact information – including your preferred e-mail – by providing that information to us via telephone, fax or e-mail using the above contact information.

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