

Legislative Brief

Health Care Reform: Applications for Early Retiree Reinsurance Program Now Being Accepted



EXECUTIVE SUMMARY

The Patient Protection and Affordable Care Act (PPACA) provides for the establishment of an Early Retiree Reinsurance Program (ERRP) to provide reimbursement to participating employer-based plans that provide coverage to early retirees. These plans may be reimbursed for a portion of the cost of health benefits for early retirees and their spouses, surviving spouses and dependents.

The ERRP was officially implemented on June 1, 2010. On **June 29, 2010**, the Department of Health and Human Services' Office of Consumer Information and Insurance Oversight (OCIIO) announced that it would begin accepting applications for the program.

This The Barnett Group Legislative Brief provides information about applying for the ERRP and links to application information, as well as an important update from OCIIO for applicants.

APPLYING FOR THE EARLY RETIREE REINSURANCE PROGRAM

Background of the ERRP

The ERRP is designed to encourage employers to maintain coverage for early retirees and their families. Early retirees are retirees age 55 and older who are not eligible for Medicare. Employers that provide health coverage for early retirees, including state and local governments and unions, are eligible to apply.

Reimbursements will be available for 80 percent of medical claims costs for health benefits between \$15,000 and \$90,000. Program participants will be able to submit claims for medical care going back to June 1, 2010.

Applications to the program were accepted for the first time on **June 29, 2010**. The ERRP is a temporary program that has been granted \$5 billion in funding and is set to expire no later than January 1, 2014. Reimbursements will be provided on a first-come, first-served basis, so eligible employers are encouraged to apply in a timely manner. See below for application resources and for an important update for applicants.

Important Update for Applicants

On July 26, 2010, OCIIO issued the following update regarding applying to the ERRP:

We understand that some plan sponsors may have submitted their Early Retiree Reinsurance Program applications on the official form, but before having had the chance to review the version of the Frequently Asked Questions (FAQs) document that was published on June 29, 2010. Such sponsors should not submit another application.

HHS is developing a process to identify applications that may include an incorrect or incomplete response as a result of the sponsor not having access to the additional FAQs that were posted on June 29, 2010 on the Office of Consumer Information and Insurance Oversight's website.

When such responses are identified, and the incorrect or incomplete response may jeopardize the application being approved, HHS will give sponsors a chance to submit additional information as an attachment to support the original application. The sponsor's account manager will be contacted via telephone or email in these situations. Sponsors that may have already submitted a second application, after the June 29 FAQs were published, should not contact HHS. HHS is developing a process to respond to such situations.

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In addition - it was brought to our attention that certain applicants were having difficulty with the online application that was posted early the morning of June 29, 2010. A revised copy of the application has been posted that accommodates the entering of numeric sequences that start with zeros in fields requiring numbers (e.g., EIN, phone numbers, etc.).

If you had this problem with the early version of the application, we will accept what you submitted and contact you if necessary to ascertain the correct data before making an application determination. Applicants who had completed and submitted the early version of the application but who did not experience a problem entering zeros, do not need to re-complete their application form.

Last but not least, there has been some confusion about how applications should be submitted. Applications should be submitted through the U.S. Postal Service. However, if a sponsor submitted its application via a carrier or in a manner other than the United States Postal Service, the application will be accepted for processing, provided the application is otherwise acceptable for processing. However, for operational reasons, HHS prefers sponsors to use the United States Postal Service. If you submitted your application via a carrier other than the United States Postal Service, and it was accepted at the address listed on the official application, do not re-submit the application. Sponsors who may have already submitted a second application, should not contact HHS. HHS is developing a process to respond to such situations.

Thank you for patience and interest in this program. Please keep checking www.hhs.gov/ociio/regulations/errp/index.html for all the latest information on the Early Retiree Reinsurance Program.

Application Resources

The following resources are available for employers that wish to apply for reimbursement through the ERRP:

Official ERRP Application Form: www.hhs.gov/ociio/Documents/application.pdf

Official ERRP Application Instructions: www.hhs.gov/ociio/Documents/application_instructions.pdf

Frequently Asked Questions: www.hhs.gov/ociio/Documents/application_faq.html

Application Submission Dos and Don'ts: www.hhs.gov/ociio/Documents/errp_dos_donts.pdf

Fact Sheet: www.healthreform.gov/newsroom/early_retiree_reinsurance_program.html

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