

Health Care Reform Update

HHS Updates Information on Early Retiree Reinsurance Program

The Department of Health and Human Services (HHS) recently updated their website, http://www.hhs.gov/ocio/regulations/index.html#early_retiree, with additional information on the Early Retiree Reinsurance Program (ERRP).

Among other things, HHS posted a Draft Application and instructions for completing the application. HHS indicated they wanted to publish the Draft Application as soon as possible to clarify the type of information potential applicants will be required to provide and allow applicants the opportunity to collect the needed information.

The Draft Application requires:

- Designating a plan sponsor and key personnel (authorized representative and an account manager); providing plan information including the plan year and the available benefits options under the plan;
- Identifying the programs and procedures that are in place that have generated or have the potential to generate cost savings with respect to plan participants with *chronic or high-cost conditions*;
 - The regulations define *chronic and high cost conditions* as a condition for which \$15,000 or more in health benefit claims are likely to be incurred during a plan year by one plan participant.
- Estimating the projected amount of proceeds the plan will receive under the ERRP and providing a description as to how the plan will use these proceeds (must be returned to the plan and not used as general revenue of the sponsor); and
- Setting up banking information for the electronic funds transfer of payments made from the program.

It is expected that the Official Application for the program will be posted later in June and should generally reflect the requirements outlined in the Draft. Also, information about how, where and when to send a completed Application will be posted to the above website in the coming weeks.

We will keep you posted as information develops.

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