



Health Reform Update – Draft Application for the Early Retiree Reinsurance Program

The Affordable Care Act includes an Early Retiree Reinsurance Program. This program proposes to reimburse 80% of claims between \$15,000 and \$90,000 for pre-Medicare retirees age 55-64 and their covered dependents. This is a temporary program that will run through the earlier of January 1, 2014 or depletion of the \$5 billion allocation to fund the program.

The Department of Health and Human Services (HHS) has released a Draft Application to participate in the program. The “Official Application” will be released later this month and is expected to be the same as the draft, but with the addition of the address where the Application should be sent.

The Application is used to approve your health plan(s) for participation in the program. **Health plans must be approved through this application process before they can be considered for claim reimbursement.** As such, it is critical that you submit an application for each plan that includes eligible early retirees, if you intend to seek reimbursement for eligible claims under the Early Retiree Reinsurance Program.

HHS has provided instructions for the Application as well as a summary presentation and Q&A document on their website: http://www.hhs.gov/ocio/regulations/index.html#early_retiree

Application requirements include:

- The amount of reimbursement expected during the first two plan years
- An explanation of how reimbursements will be used
- A description of programs that have generated or have potential to generate cost savings for participants with chronic and high-cost conditions
- An attestation that the plan (or its insurer/plan) has policies and procedures in place to detect fraud, waste and abuse
- Assurance that there is an insurer/plan agreement in place regarding disclosure of data

Application elements include:

Part I – Plan Sponsor and Key Personnel Information

- Organization name, type, EIN, telephone, fax, website
- Authorized representative information
- Account manager information

Part II – Plan Information

- Plan name and plan year
- Benefit options and identifiers
- Description of programs for chronic and high-cost conditions
- Projections of ERRP reimbursements for first two plan years
- Description of intended use of ERRP reimbursements

Part III – Banking Information for Electronic Funds Transfer

- Banking information for electronic funds transfer
- Bank contacts

Part IV – Plan Sponsor Agreement

- Compliance with PPACA requirements
- Representation that designees are acting with authority
- Written agreements regarding data
- Acknowledgement that information is used to obtain Federal funds
- Compliance with HIPAA data security requirements
- Depository information
- Attestation regarding policies to reduce fraud, waste and abuse
- Change of ownership
- Signature of authorized representative

Plan sponsors will need to work with applicable employee benefits business partners (health plan insurer/administrator, attorney, actuary, consultant, accountant, etc.) to ensure that all program requirements are being met.

It is important to note that limited information has been made available and is subject to change. Please contact SBA with any questions regarding the Early Retiree Reinsurance Program: http://www.strategicba.com/senior_consulting_team