

Legislative Update

June 11, 2010

More Guidance Issued on the Early Retiree Reinsurance Program

The Department of Health and Human Services (HHS) has issued a <u>notice</u> on a new recordkeeping system in support of the Early Retiree Reinsurance Program (ERRP). The proposed system would collect and maintain information on individuals covered under the ERRP who are early retirees (and their spouses and dependents), information and data on individuals associated with plan sponsors who perform key tasks on behalf of the sponsor, and documentation of the actual costs of medical claims.

Under the Affordable Care Act, employment-based plans that offer health benefits to early retirees are eligible under the temporary ERRP to receive a tax-free reimbursement for the costs of certain health benefits for such individuals. In order to qualify, plan sponsors must submit a complete application to HHS. The final application will be posted on the HHS OCIIO website prior to the date on which HHS will begin accepting applications (expected to be later in June). For more information on the draft application and instructions, see Conner Strong's recently issued legislative bulletin.

For more information on the ERRP and the interim final regulations implementing the ERRP, see the recently issued HHS application <u>FAQs</u> and the HHS <u>fact sheet</u> on the ERRP.

As always, if you have any questions regarding the latest on national health insurance reform, visit the <u>health reform section on our website</u> or **contact your Conner Strong account representative at 1-877-861-3220**.

This Legislative Update is provided for general informational purposes only and is not intended to be legal advice. Readers are urged to contact an attorney for legal advice or assistance.