



The Early Retiree Reinsurance Program

If you're an employer (fully insured or self-funded) and you provide health insurance to early retirees ages 55-64, the Early Retiree Reinsurance Program (ERRP) can provide financial help.

What's the ERRP?

1. As part of the Affordable Care Act, the federal government created the ERRP for certified employer plans to encourage them to continue to offer health insurance to early retirees.

2. The Department of Health and Human Services (HHS) administers the ERRP and is responsible for certifying employer plan applications.

3. Certified plan sponsors can receive up to an 80 percent reimbursement from HHS on claims incurred by an early retiree, his or her spouse, surviving spouse and dependents that total between \$15,000 and \$90,000 in a plan year.

4. The ERRP will be in place until January 1, 2014, or until the \$5 billion set aside for the program is spent.

Who is an early retiree?

Under the ERRP, an early retiree is a subscriber who is age 55 or older and not yet eligible for Medicare.

◦ Help with your Early Retiree List (ERL) - Plan sponsors are required to submit an ERL to HHS before reporting costs and asking for reimbursement. Once you provide Health Alliance/HCH with early retiree information, we can supply claims data to identify early retirees to include on the ERL.

Please note Health Alliance/HCH will not complete an application for you or total data from other carriers.

ERRP Requirements

- You must have programs and procedures in place that have generated or have the potential to generate cost savings for chronic and high-cost conditions. These are conditions for which \$15,000 or more in claims are likely to be incurred in a year by one member or plan participant.
 - You should identify at least two conditions you have programs and procedures for and name the type of programs (e.g., case management, wellness, disease management).
- You must have policies and procedures in place to detect fraud, waste and abuse.
- You must retain all relevant information, data, documents and records about the program for six years (or longer if otherwise required by law) after the plan year that claims were incurred. During an audit by HHS, be prepared to show the following.
 - How you used funds in accordance with the program requirements.
 - How your care management programs generated or have the potential to generate cost savings for members or participants with chronic and high-cost conditions.

Services Provided by Health Alliance/HCH

- Prior year claims data for you to estimate the proceeds expected from the ERRP. (All ERRP reporting done by Health Alliance/HCH is for plan sponsor paid claims and won't include the member or plan participant paid portion.)
- For fully insured groups, a written agreement with Health Alliance/HCH about the disclosure of information, data, documents and records to HHS on your behalf to comply with the requirements of the ERRP.
- Reimbursement cost reporting for the program once you're certified by HHS.

Frequently Asked Questions

How do you apply for the ERRP?

Find the final application, application instructions and FAQs on the HHS website at www.errp.gov. Applications must be mailed to:

HHS ERRP Application Center
4700 Corridor Place, Suite D
Beltsville, MD 20705

How is an eligible claim defined for reimbursement?

A claim must meet these criteria for reimbursement.

- It must be a medical item or service covered by Medicare Parts A or B, or a drug that can be covered by a standard Part D plan and is not excluded for reimbursement by Medicare or the ERRP;
- It must be incurred within the plan year; and
 - For plan years that start before and end after June 1, 2010, claims incurred between the start of the plan year and May 31, 2010, can only be credited toward the cost threshold. Only claims incurred on or after June 1, 2010, are eligible for reimbursement.
- It must be paid by the employment-based plan and/or by the individual.
 - For amounts paid by an individual, plan sponsors must keep prima facie evidence that the individual paid the amount.

How can reimbursements be used?

- To reduce the sponsor's health benefit premiums or health benefit costs;
- To reduce health benefit premium contributions, copayments, deductibles, coinsurance or other out-of-pocket costs for members or plan participants; or
- To reduce any combination of these costs.

Reimbursements can't be used to offset plan administrative costs, for administrative costs associated with the program or as general revenue.

What are the requirements for notifying members or plan participants of your participation in the ERRP?

- A notice must be delivered to all members or plan participants, not just early retirees.
- The notice must be delivered within a reasonable time after you get your first ERRP reimbursement.
- The notice may be delivered by U.S. mail or by courier service to each person's last known address.
- For those who are actively working, you may send the notice electronically.

Find the form notice and instructions for delivering it at www.errp.gov/download/Notice_to_Plan_Participants.pdf.

Information contained herein is subject to change as regulations are issued and interpretation evolves. This information should not be considered legal guidance regarding the ERRP or its potential impact.

To learn more about the ERRP, visit the HHS website at www.errp.gov or call 877-574-ERRP.



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