

HHS Releases Final Application, Instructions and Application Submission Dos and Don'ts On Early Retiree Reinsurance Program

June 30, 2010

In earlier client alerts ([click here](#) to access previous alerts), we reported that the Secretary of the Department of Health and Human Services (HHS) released an interim final rule that implements the Early Retiree Reinsurance Program established by the Affordable Care Act (the "Act").^[1] On June 29, 2010, HHS released the final version of the Program's application, instructions and application submission dos and don'ts to assist plan sponsors in applying for claim reimbursements (click to access Final Application, Final Instructions, Application Dos and Don'ts). HHS also released new Frequently Asked Questions for the Early Retiree Reinsurance Program (click here to access FAQs). HHS previously issued Early Retiree Reinsurance Program Frequently Asked Questions on June 7, 2010 ([click here](#) to access FAQs).

June 29, 2010, was the first day applications could be submitted to HHS and the application submission dos and don'ts make it clear that HHS will only accept the Program application published on June 29, 2010. While the newly published Program application resembles previously published applications, the final and newly published version is formatted slightly different and it includes the mailing address for where the Program application and any attachments must be sent. HHS will only accept typed (not handwritten) applications at the official address and in the official format.

As you may recall, the Program provides \$5 billion in financial assistance through reimbursements to employers to assist them in maintaining health coverage for early retirees ages 55 to 64 and their spouses, surviving spouses, and dependents who are not yet eligible for Medicare. Specifically, the Program will reimburse an employer for 80% of the costs incurred and paid (even if paid in a later year) for health benefits under an employment-based plan (net of negotiated price concessions) between \$15,000 and \$90,000 (indexed for plan years on or after October 1, 2011) for each early retiree (and his or her spouse, surviving spouse and dependents), each plan year. Program participants will be able to submit claims for costs incurred and paid for health benefits retroactive to June 1, 2010.

The Program will end on January 1, 2014, when early retirees will be able to elect coverage that will be available under one of the health insurance exchanges, or when HHS has exhausted the \$5 billion allocated to the Program, if earlier.

Because applications for reimbursements will be processed in the order received and funding is limited, employers will need to act quickly in assembling the required information now that the applications are being accepted.

Please feel free to contact your regular Proskauer attorney or any member of the Health Care Reform Task Force should you have questions regarding the Early Retiree Reinsurance Program in general, or specifics regarding the application, the application process or any other aspect of health care reform.

[\[1\]](#) “Affordable Care Act” means The Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010 (HCERA).

[Related Professionals](#)

- **Ira M. Golub**
- **Robert M. Projansky**
Partner
- **Steven D. Weinstein**

Partner

- **Edward S. Kornreich**