

ERRP

Early Retiree Reinsurance Program

Plan Sponsor Application Instructions



U.S. Department of Health and Human Services

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HHS Form # INSERT NUMBER CMS-10321

*Early Retiree Reinsurance Program (ERRP) Plan Sponsor Instructions for
Submitting ~~Completing an Application, Submitting Reimbursement Requests, Submitting Appeals,
Reporting Data Inaccuracies, Reporting Change of Ownership, and Other information~~
Collections*

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES

Overview

The Early Retiree Reinsurance Program (ERRP) was established by section 1102 of the Patient Protection and Affordable Care Act (the Affordable Care Act), P.L. 111-148, enacted on March 23, 2010. The Congress appropriated funding of \$5 billion for the temporary program. Section 1102(a)(1) requires the Secretary to establish this temporary program not later than 90 days after enactment of the statute, which is June 21, 2010. The program ends no later than January 1, 2014. The program provides reimbursement to participating employment-based plans for a portion of the cost of health benefits for early retirees and their spouses, surviving spouses and dependents. The Secretary will reimburse plans for certain claims between \$15,000 and \$90,000 (with those amounts being indexed for plan years starting on or after October 1, 2011). The purpose of the reimbursement is to make health benefits more affordable for plan participants and sponsors so that health benefits are accessible to more Americans than they would otherwise be without this program.

The program addresses the recent erosion in the number of employers providing health benefits to early retirees. People in the early retiree age group often face difficulties obtaining insurance in the individual market because of advanced age or chronic conditions that make coverage unaffordable and inaccessible. The program provides needed financial help for employer-based plans to continue to provide valuable coverage to plan participants, and provides financial relief to plan participants.

The program provides reimbursement to participating sponsors of employment-based plans for a portion of the costs of providing health benefits to early retirees (and eligible spouses, surviving spouses, and dependents of such retirees). The program regulation at 45 C.F.R. Part 149 defines the term “sponsor”, “employment-based plan”, “health benefits,” and “early retiree,” as well as many other important terms that are relevant to the program. The regulation also sets forth the requirements of the program, including the requirements discussed in these instructions.

This document provides general instructions with respect to: completing a program application (see ERRP regulation at 45 C.F.R. §149.40). Please note that if any information in the Application changes or if the sponsor discovers that any information is incorrect, the sponsor is required to promptly report the change or inaccuracy.

- ~~(1) Completing and submitting a program application (see ERRP regulation at 45 C.F.R. §149.40),~~
- ~~(2) Requesting program reimbursement (see ERRP regulation at 45 C.F.R. part 149 subpart E),~~
- ~~(3) Submitting an appeal of a reimbursement determination (see ERRP regulation at 45 C.F.R. part 149 subpart F),~~
- ~~(4) Reporting inaccuracies in submitted data (see ERRP regulation at 45 C.F.R. part 149, subpart G), and~~
- ~~(5) Reporting plan sponsor change of ownership (see ERRP regulation at 45 C.F.R. part 149, subpart H).~~

However, ~~it~~It is critical for program applicants and participants to read the regulation in order to fully understand which organizations qualify for the program, how to apply for the program, what costs are eligible for reimbursement under the program, how to submit a request for reimbursement under the program, and sponsors' obligations under the program.

Application Information

General Instructions for Completing and Submitting the ERRP Application

The ERRP application has been designed by the U.S. Department of Health & Human Services (HHS) to assist in the efficient administration of the ERRP in compliance with ~~federal~~Federal regulatory requirements at 45 C.F.R. Part 149. ~~Plan sponsors wishing to participate in the program eventually HHS will be able to submit~~make an application announcement on the applicable HHS webpage when applicants can begin submitting applications, with information on how applications must be submitted. We encourage interested parties to regularly monitor www.hhs.gov/ociio/ for the program using the Internet, through the ERRP Secure Website. Until HHS completes the development of the web-based application, sponsors may submitthis and complete a paper application. The following is an overview of the application process: other program information.

~~1. The Account Manager establishes a Plan Sponsor account (if one does not already exist), either by completing the applicable portions of the paper application, or by going to the ERRP Website.~~

~~2. The following is an overview of the application process:~~

~~1. The Account Manager or Authorized Representative, after receiving a Plan Sponsor Identification Number, receives an application identification number for any application started (if online) or submitted (if paper).~~

~~3. The Account Manager, Authorized Representative, or Designee(s) completes ALL remaining parts of the application, including the Plan Sponsor Agreement which must be signed by the Plan Sponsor's Authorized Representative.~~

~~4. The completed application is submitted.~~

~~5. Plan Sponsors will be notified about the status of their application.~~

~~Only one ERRP. An applicant must submit an application can be submitted for each employment-based plan, for which it will submit a reimbursement request. The application must be completed in its entirety (and reviewed and approved by HHS) in order to participate in the ERRP. HHS will certify the sponsor and the plan when the application is approved. Even if the submitted application satisfies all criteria specified in the program regulation, it may be denied, depending on the availability of limited ERRP funds.~~

~~**NOTE: With respect to ERRP online applications, only sections relevant to the applicant will be displayed online. Some sections of the application that are present in this Notice may not actually be presented at the time the application is being completed.**~~

Complete the items in Parts I through IV ~~(note that certain Responses to all items do not apply to paper applications).~~ All fields marked with an asterisk (*) are required. The following are specific instructions for each Part for each item that is not self explanatory.

APPLICATION PART I: Plan Sponsor and Key Personnel Information

A. Plan Sponsor ~~Account Registration~~ Information

Complete the required information in items 1-7 ~~for the Plan Sponsor Account Registration.~~

Item 1: The Plan Sponsor Organization Name must be the same as that associated with its Federal Employer Tax Identification Number (EIN).

Item 2: This item is self-selected by the Plan Sponsor. Please choose the ~~item~~ one category that best ~~represents~~ describes the Plan Sponsor's type of organization.

~~Item 3: When completing this application online, this field will be pre-populated with the number used when the ERRP Plan Sponsor ID was requested.~~

Item 6: Organization address must be the address associated with the EIN.

B. Authorized Representative ~~Invitation (applies to online applications only)~~ Information

An Authorized Representative is an individual with legal authority to sign and bind a sponsor to the terms of a contract or agreement. Examples of the Authorized Representative include the Sponsor's general partner, CFO, CEO, ~~president~~ President, Human Resource Director, or an individual who holds a position of similar status and authority within the Plan Sponsor's organization. Only one individual at a time can serve in the role of Authorized Representative. For multi-employer plans, the Authorized Representative does not have to be an employee of the Plan Sponsor, but may be a member of the jointly appointed board of trustees, which includes both labor and management trustees. An Authorized Representative of the requesting Plan Sponsor must sign the Plan Sponsor Agreement in the completed application and certify that the information contained in the application is true and accurate to the best of the Plan Sponsor's knowledge and belief.

~~The Account Manager must complete the Authorized Representative is responsible for the completion of the required information in Items 1-2 for the Authorized Representative to be invited to register as an ERRP Secure Website user. 9.~~

C. Authorized Representative Information

Item 4: The Authorized Representative's Social Security Number must be provided in order to verify the required information in Items 1-11 (Items 2 individual's identity, and 12 apply to online applications only), therefore help maintain the integrity of the Early Retiree Reinsurance Program.

DC. Account Manager Information

The Account Manager is generally the individual that is authorized to begin who coordinates the application process on behalf of for the Plan Sponsor, and is the Sponsor's primary contact with HHS with respect to the application. An Account Manager may be an employee of the Plan Sponsor, or a non-employee, such as a consultant, with whom the Plan Sponsor has an arrangement to assist with the application process. This individual would have full access rights to the online ERRP application. The Account Manager has the authority to assign an Authorized Representative, and Designees. Although an Account Manager has the ability to designate a replacement Account Manager, there can be only one Account Manager per ERRP application at a time. In addition, once designated as Account Manager, this individual will have to serve in this role across applications (i.e. Individual cannot serve as Account Manager for one application and as a Designee for another application.) There can be only one Account Manager per ERRP application at a time.

Complete the required information in Items 1-11 for the Account Manager Information (Items 1 and 11 apply).

Item 4: The Account Manager's Social Security Number must be provided in order to online applications only) verify the individual's identity, and therefore help maintain the integrity of the Early Retiree Reinsurance Program.

E. Designee Invitation

~~A Designee(s) is any individual chosen by either the Authorized Representative or Account Manager to assist with the management of the ERRP application, including making reimbursement requests. The Designee(s) is only able to perform functions that have been delegated by the Authorized Representative or Account Manager.~~

~~Complete the required information in Items 1-4 to invite/assign a Designee to the application. (These items apply only to online applications).~~

~~Item 3—Pass Phrase: The Pass Phrase is created by the Authorized Representative/Account Manager, and should be communicated directly to the Designee by the Authorized Representative/Account Manager.~~

~~Item 4—Privileges that may be assigned to a Designee include but are not limited to the following examples: Complete Electronic Funds Transfer Information, Make Reimbursement Request, Submit Appeals,~~

~~Multiple Designees may be added as the Plan Sponsor requires. If you need to add additional Designees and are using an online application, follow the instructions in the online application.~~

F. Designee Information

~~A Designee(s) is any individual chosen by either the Authorized Representative or Account Manager to assist with the management of the ERRP application, including requesting reimbursement. The Designee(s) is only able to perform functions that have been delegated by the Authorized Representative or Account Manager.~~

~~The Designee must complete the required information in Items 1-11. (Items 1, 2, and 12 apply only to online applications).~~

~~Item 1—If the Designee does not know the Pass Phrase, s/he should contact the Authorized Representative/Account Manager. The Authorized Representative/Account Manager created the Pass Phrase at the time they assigned the Designee in the ERRP Secure Website.~~

G. User Agreement and Privacy Policy (Applies to online applications only).

~~The Authorized Representative, Account Manager, and Designee(s) must review and indicate acceptance of the terms of this User Agreement and Privacy Policy as part of their ERRP Secure Website registration.~~

APPLICATION PART II: Plan Information

A. Plan Information

Complete the required information in Items 1-2 for the employment-based plan for which you are requesting ERRP payments.

Item 2: For ERRP purposes, your plan year cycle start (MM/DD) and end (MM/DD) are determined as follows: The plan year as the year that is designated as the plan year in the plan document of an employment-based plan, except that if the plan document does not designate a plan year, if the plan year is not a 12-month plan year, or if there is no plan document, the plan year is: (1) the deductible or limit year used under the plan; (2) the policy year, if the plan does not impose deductibles or limits on a 12-month basis; (3) the sponsor's taxable year, if the plan does not impose deductibles or limits on a 12-month basis, and either the plan is not insured or the insurance policy is not renewed on a 12-month basis, or (4) the calendar year, in any other case. (See the program regulation at 45 C.F.R. §149.2).

B. Benefit Option(s) Provided Under This Plan

Complete the required information in items 1a-d for each benefit option in the plan for which you are requesting reimbursement under the program.

Item 1b: Unique Benefit Option Identifier ~~is required to uniquely identify~~ identifies each benefit option under the plan. If a Group Number uniquely identifies each option under the plan, then that number may be used. If a Group Number does not uniquely identify each benefit option, then the Plan Sponsor ~~must~~ should assign an identifier to each option. Plan Sponsors may use existing internal identifiers, or can develop one specifically for purposes of completing the ERRP application.

Item 1d: Specify the name of the insurer, ~~TPA~~ third-party administrator, or other entity that is administering the benefit option.

~~If you need to add benefit options, follow the instructions in the online application, or attach additional pages to your paper application.~~

If the plan has more than one benefit option for which the sponsor intends to seek program reimbursement, please indicate the information in Items 1a-d for each such benefit option, with each benefit option listed in a separate copy of the attachment that appears at the end of this application.

C. Programs and Procedures for Chronic and High-Cost Conditions

In completing this item, please follow the instructions in the application. Please be aware that the ERRP regulation defines “chronic and high-cost condition” 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. (See the ERRP regulation at 45 C.F.R. §149.2). Therefore, you should make clear in your summary that the conditions for which you have programs and procedures in place, have resulted in \$15,000 or more in health benefit claims, or likely would result in such amount of claims, absent the programs and procedures, for one plan participant, during a plan year.

D. Estimated Amount of Early Retiree Reinsurance Program Proceeds

In completing this item, please follow the instructions in the application.

E. Intended Use of Early Retiree Reinsurance Program Proceeds

In completing this item, please be aware that the ERRP regulation specifies that the sponsor must use the proceeds under this program for the following purposes: (1) To reduce the sponsor’s health benefit premiums or health benefit costs, or (2) To reduce health benefit premium contributions, copayments, deductibles, coinsurance, or other out-of-pocket costs, or any

combination of these costs, for plan participants, or (3) To reduce any combination of the costs in (1) and (2). Proceeds under this program must not be used as general revenue for the sponsor. (See the ERRP regulation at 45 C.F.R. §149.200). In completing this item, please follow the instructions in the application.

APPLICATION PART III: Banking Information for Electronic Funds Transfer

All ERRP payments will be paid via electronic funds transfer. In order to receive payments, all information in this section must be provided.

Please provide the required information for Items 1-9 for the Plan Sponsor's bank and related information.

APPLICATION PART IV: Plan Sponsor Agreement

The Authorized Representative of the Plan Sponsor must read the Plan Sponsor Agreement, and if the terms are accepted, must indicate acceptance by providing ~~an electronic signature (if an online application), or a conventional signature (if a paper application).~~ his or her signature.

Attachment: Additional Benefit Options

If the plan has more than one benefit option for which the sponsor intends to seek program reimbursement, please indicate the information in PART II, B, items 1a through 1d, for each such benefit option, with each benefit option listed on a separate copy of this attachment.