

THE CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT

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The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) requires that employers maintaining group health plans notify their employees of potential opportunities for group health plan premium assistance through Medicaid and the Children's Health Insurance Program (CHIP). The U.S. Department of Labor (DOL), working together with the Department of Health and Human Services, recently issued a model Employer CHIP Notice that may be used for this purpose.

CHIPRA'S IMPACT

CHIPRA affects employer group health plans in two primary ways:

- It requires group health plans to have a special enrollment period when Medicaid or CHIP coverage terminates, or when a child becomes eligible for assistance in the purchase of employment-based coverage.
- It permits states to offer a premium assistance subsidy for qualified employer-sponsored coverage to targeted low-income children who are eligible for child health assistance under the plan and have access to such coverage. Pennsylvania offers such assistance. In Pennsylvania, the Health Insurance Premium Payment Program will pay the employer plan premium if the cost is lower than the cost of medical assistance for employees and dependents. See www.dpw.state.pa.us/partnersproviders/medicalassistance/doingbusiness/003670053.htm

NOTICE REQUIRED

The Model Notice issued by the DOL is available at www.dol.gov/ebsa/chipmodelnotice.doc. This Notice must be provided to each employee, regardless of employment status. The initial copy must be provided in connection with the annual enrollment period for the first plan year that begins after the date of publication, or May 1, 2010 (if later). For employers that operate health plans on a calendar year basis,

the first notice is due in advance of the plan year that begins January 1, 2011. The Notice should also be included in enrollment materials for new hires. Each year, another copy of the Notice must be provided to all employees.

CONCLUSION

We will continue to update our current and prospective clients of any further developments. If you have any questions about providing the Model Notice to your employees or your other obligations under CHIPRA, please contact a member of our Labor and Employment Group.

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