

in focus

May 2010

Model Notices Available for Employers Regarding CHIP

The Department of Labor (DOL) has provided model notices that employer health plan sponsors may use to satisfy their notice requirements under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). CHIPRA requires employer plan sponsors to provide a notice concerning the potential availability of certain group health plan premium assistance programs (provided through Medicaid and the Children's Health Insurance Program) to employees who reside in a state where such programs are available. Currently, 40 states offer such programs.

Notice Recipients. All employees who reside in a state where group health plan premium assistance programs are made available must receive notice, regardless of the employee's enrollment status in the employer's group health plan. Note that the notice obligation is not dependent on the state where the employer, plan sponsor, or insurer is located, but on where the employee (and his or her dependents) reside. As a result, some employer plan sponsors may decide to provide the notice to all their employees, as a matter of administrative convenience.

Form and Content. The model notice is available in English and Spanish through the DOL's website (<http://www.dol.gov/ebsa>).

The CHIPRA notice is not required to be sent to employees as a separate mailing, and may be provided along with the employer's open enrollment materials or the plan SPD. However, the notice must appear separately and in a manner that ensures the employee could reasonably be able to understand its significance. The notice may be provided by first-class mail. Alternatively, the notice may be furnished electronically, provided that the DOL's safe harbor requirements for electronic delivery are satisfied.

Timing. The initial notice must be provided by the later of: (1) the first day of the first plan year beginning after February 4, 2010; or (2) May 1, 2010. For employers whose next plan year begins on or after May 1, 2010, therefore, the CHIPRA notice must be provided by the first day of the next plan year (January 1, 2011 for calendar year plans).

The notice must be provided on an annual basis. The DOL is expected to provide periodic updates to the model notice and to the list of states offering premium assistance program through

its website. Employers should review their notice obligations under CHIPRA to ensure that notice is timely and properly made.

For more information about group health plan requirements, please contact:

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