

February 12, 2010



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**DEPARTMENT OF LABOR PUBLISHES
MODEL EMPLOYER CHIP NOTICE**

You are receiving this notice because according to our records, you have at least one employee residing in a state that may provide premium assistance for those unable to afford insurance coverage.

ACTION REQUIRED:

Starting on February 4, 2010, the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) requires employers offering group health plans to notify all employees (even those waiving coverage) of their potential CHIPRA rights to receive premium assistance under a state's Medicaid or CHIP program.

The new CHIPRA requirement applies to employers who offer medical benefits in any of the 40 states currently providing premium assistance. The 10 states currently not providing premium assistance are: Connecticut, Delaware, Hawaii, Illinois, Maryland, Michigan, Mississippi, Ohio, South Dakota and Tennessee.

If you have even one participant in at least one of the 40 states, you must comply with this directive. You are also now required to send the notice annually, starting with the first plan year after February 4, 2010. For plan years from February 4, 2010, through April 30, 2010, the initial notice deadline is May 1, 2010. For plan years starting after May 1, 2010, the notice deadline is the first day of the next plan year. For example, the deadline would be January 1, 2011, for calendar year plans.

You may combine this notice with other information (e.g., open enrollment materials) **but it must be distributed to the entire employee population, not just participants**. If you would like to add this information as part of your Employee's Open Enrollment Communication packet, please contact your J.S. Clark Account Manager.

CHIPRA also requires group health plans to disclose information about their medical benefits to State Medicaid and CHIP programs, upon request. The DOL and two other agencies are developing a model disclosure form for this purpose. States may begin requesting this information as of the first plan year after the release of this model disclosure form. The rationale for this rule is that states may want to evaluate whether providing premium assistance is a cost-effective way to provide medical care.

Attached is the model notice the DOL has posted on their website. Again, you must provide this notice to your entire employee population.

QUESTIONS:

If you are questions regarding this communication or the new CHIPRA requirements, please contact your Account Manager at **248.355.9600**.