



**MEMO**

**To: Allegiance Companies' Clients**

**Date: June 14, 2010**

**Interim Final Regulations on the Early Retiree Reinsurance Program**

Interim final regulations have been published to implement the Early Retiree Reinsurance Program (ERRP) which comes about as part of the Patient Protection and Affordable Care Act (PPACA). The ERRP 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 HHS secretary will reimburse plans for certain claims between \$15,000 and \$90,000. Congress has appropriated \$5 billion in funding for the temporary program that will end when the funding has been exhausted or no later than January 1, 2014.

The first-come-first-served provisions of the interim final regulation related to the processing and certification of applications to ERRP have the potential to create a significant rush for limited funding to participate in ERRP. The interim final regulation (IFR) states that certification applications will be processed in order received, and that erroneous or incomplete applications will be rejected and must be refiled.

A [draft application](#) and [set of instructions](#) for the Early Retiree Reinsurance Program (ERRP) has been posted to [the website of the Office of Management and Budget \(OMB\)](#). A final application and instructions are expected to be posted this month on the [website of the HHS Office of Consumer Information and Insurance Oversight](#).

Allegiance can help our employer clients with certain information required to be submitted with the application. Some of this information concerns plan design and benefits such as programs and procedures in place for chronic and high cost conditions programs, help with identification of what costs could be eligible for reimbursement under the program, census information and overall help with explanations of plan features in place. *Allegiance is not, however, able to author or write the narratives for the application.*

Please note that the applications and instructions are in *draft* form. Once final, which is anticipated to occur sometime in June, the application and information will be posted on the website of the HHS Office of Consumer Information and Insurance Oversight.

We hope you find this information helpful in guiding your compliance with health care reform.

**Thank you!**