

Early Retiree Reinsurance Program Frequently Asked Questions

APPLICATIONS

- 1. Are applications being accepted on a first-come, first-serve basis? Is there a pre-determined number of applications that HHS is planning to accept?**

ANSWER: No. There is no pre-determined number of applications that HHS will accept. Qualified applicants will be processed and approved for participation in the program based on their merits. HHS does have the authority to stop reinsurance payments or accepting applications but only if it appears that the \$5 billion in Federal funding is insufficient.

- 2. The Early Retiree Reinsurance Program application must be signed by an authorized representative. The regulation at 45 C.F.R. 149.2 defines authorized representative as an individual with legal authority to sign and bind a sponsor to the terms of a contract or agreement. What are some examples of individuals who typically have such legal authority?**

ANSWER: Common examples of individuals who typically have the requisite authority to serve as the Early Retiree Reinsurance Program authorized representative for a sponsor include the sponsor's Chief Executive Officer (CEO), Chief Financial Officer (CFO), President, Human Resources (HR) Director, and General Partner. For plan sponsors that are unions, a member of the union fund's board of trustees typically would have the requisite authority. Please note that this list is not exhaustive.

- 3. Where should I send the application for the Early Retiree Reinsurance Program once it is completed?**

ANSWER: The U.S. Department of Health & Human Services wanted to publish a copy of the application as soon as possible to assist potential applicants in better understanding how to prepare an application, and to give applicants time to assemble information required in the application. As such, the Draft Application is available now. The Official Application will be posted later in June with the only anticipated change being the addition of an address where the Official Application can be sent. Information about how and where to send completed applications, and when sponsors can begin submitting applications, will also be posted on this webpage later in June. We encourage interested parties to regularly monitor this webpage for this and other program information.

CLAIMS SUBMISSIONS AND REIMBURSEMENT REQUESTS

- 4. When can sponsors begin submitting claims data and reimbursement requests to the U.S. Department of Health & Human Services for the Early Retiree Reinsurance Program?**

ANSWER: The U.S. Department of Health and Human Services is currently developing the infrastructure needed to accept claims data and reimbursement requests. HHS will announce instructions detailing the manner and timing for submitting this information in the near future.

A sponsor will then be able to submit claims data and reimbursement requests. We encourage interested parties to regularly monitor this webpage for this and other program information.

5. **The Early Retiree Reinsurance Program regulation at 45 C.F.R. 149.310 states that, for employment-based plans for which a provider in the normal course of business does not produce a claim, such as a staff-model health maintenance organization, the information required in a claim must be produced and provided to the Secretary, as set out in the regulation and applicable guidance. Does this principle also apply in the context of self-funded plans?**

ANSWER: Yes. For example, a self-funded plan might pay a capitation rate to all or some providers in its provider network. To the extent the sponsor wishes to receive reimbursement for items and services furnished by such providers, the information required in a claim must be produced and provided to the Secretary, as set out in the regulation and applicable guidance.

REPORTING DATA INACCURACIES

6. **When and how must sponsors disclose the amount of post-point of sale negotiated price concessions that were received but not accounted for in their submitted claims data and reimbursement requests (as required by 45 C.F.R. 149.110), and report other data inaccuracies (as required by 45 C.F.R. 149.600)?**

ANSWER: The U.S. Department of Health & Human Services will announce the manner and timing of making such disclosures on this webpage. We encourage interested parties to regularly monitor this webpage for this and other program information.

FRAUD AND ABUSE POLICIES AND PROCEDURES

7. **Do the policies and procedures that a sponsor must have in place to detect and reduce fraud, waste, and abuse have to specifically reference, or be specifically designed for, the Early Retiree Reinsurance Program?**

ANSWER: No. However, the policies and procedures must have the ability to effectively detect and reduce fraud, waste, and abuse related to the Early Retiree Reinsurance Program. Sponsors will be required to attest, in their program applications, that they have such policies and procedures.

MISCELLANEOUS

8. **If a sponsor has an approved application for the Early Retiree Reinsurance Program, and subsequently decides not to request reimbursement, or stops requesting reimbursement at some point while possessing an approved application, must it notify the U.S. Department of Health & Human Services that it will not, or will no longer, be requesting reimbursement?**

ANSWER: No. However, the fact that a sponsor will not be requesting reimbursement does not relieve it of any obligations it has under the program, such as maintaining and furnishing records pursuant to 45 C.F.R. 149.350, or reporting data inaccuracies pursuant to 45 C.F.R. 149.600. Because funding for the program is limited, we encourage sponsors to tell us that they will not

be requesting reimbursement so that we will not rely upon the sponsor's reimbursement projections that it submitted with its application.