



Model Employer CHIP Notice Released

In February 2009, President Obama signed the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). CHIPRA required the Departments of Labor and Health and Human Services develop a model notice for employers to use to inform employees of potential opportunities currently available in the State in which the employee resides for group health plan premium assistance under Medicaid and the Children's Health Insurance Program (CHIP).

The Department of Labor's model CHIP notice is now available. Each employer is required to provide an initial notice and an annual notice.

A. Employers Subject to the Employer CHIP Notice Requirement

An employer providing benefits (directly or through insurance, reimbursement, or otherwise) for medical care in a State is considered to maintain a group health plan in that State. If that State provides medical assistance under a State Medicaid plan, or child health assistance under a State child health plan, in the form of premium assistance for the purchase of group health plan coverage, the employer is required to provide the Employer CHIP Notice. The following States at present offer one or more programs that meet this standard:

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|------------|---------------|----------------|---------------|
| Alabama | Kansas | New Jersey | Utah |
| Alaska | Kentucky | New Mexico | Vermont |
| Arizona | Louisiana | New York | Virginia |
| Arkansas | Maine | North Carolina | Washington |
| California | Massachusetts | North Dakota | West Virginia |
| Colorado | Minnesota | Oklahoma | Wisconsin |
| Florida | Missouri | Oregon | Wyoming |
| Georgia | Montana | Pennsylvania | |
| Idaho | Nebraska | Rhode Island | |
| Indiana | Nevada | South Carolina | |
| Iowa | New Hampshire | Texas | |

B. Employees Entitled to Notice

An Employer CHIP Notice must inform each employee, regardless of enrollment status, of potential opportunities for premium assistance in the State in which the employee resides. The State in which the employee resides may or may not be the same as the State in which the employer, the employer's principal place of business, the health plan, its insurer, or other service providers are located.

C. Timing and Delivery of the Notice

Employers are required to provide these notices by the date that is the later of (1) the first day of the first plan year after February 4, 2010; or (2) May 1, 2010.

For plan years beginning between from February 4, 2010 through April 30, 2010, the Employer CHIP notice must be provided by May 1, 2010. For employers whose next plan year begins on or after May 1, 2010, the Employer CHIP 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 annually.

D. Request for Comments

The Department of Labor is also requesting comments regarding compliance with the Employer CHIP Notice requirement for use in the development of future compliance assistance materials and/or regulations. Comments are due on or before April 5, 2010. Comments may be submitted anonymously. For information about submitting comments, please go to <http://www.regulations.gov>.

If you have questions or concerns about these new developments and how they might affect your business, please do not hesitate to contact Attorney Sally Piefer at (262) 754-1325, or sap@tsqlaw.com.

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