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EARLY RETIREE REINSURANCE PROGRAM TO BEGIN JUNE 23

The U.S. Department of Health and Human Services released a [fact sheet](#) on the early retiree reinsurance program enacted as part of the health reform law. Employers and early retirees can take advantage of the program as soon as it begins, which will be no later than June 23, 2010. Payments will be retroactive for the plan year. According to the fact sheet posted by the White House, the program will use an application process similar to the government's retiree drug subsidy program.

The early retiree reinsurance program provides \$5 billion in temporary funds to help employer-sponsored health plans continue to provide benefits to certain retirees. Both self-funded and insured plans can participate, including plans sponsored by private entities, state and local governments, nonprofits, religious entities, and unions. The program is intended to help early retirees maintain an affordable level of coverage and curb the high and often unpredictable costs of early retirement.

The fact sheet confirms that proceeds from the program must be used to reduce early retiree's costs, such as premium contributions, copayments, and deductibles. To receive assistance, plans must apply, document claims, and implement programs and procedures to generate cost savings for participants with chronic and high-cost conditions. Plans will be subject to audits to assure fiscal integrity.

This temporary program is set to end on January 1, 2014, when early retirees will have additional health coverage options available to them through the health insurance exchanges.

As always, if you have any questions regarding the latest on national health insurance reform, visit our [health reform section on our website](#) or contact your Conner Strong account representative at 1-877-861-3220.