



Legislative Update

February 17, 2010

Model Medicaid and CHIP Premium Assistance Notice Posted

The DOL has posted a model notice for employers to use regarding eligibility for premium assistance under Medicaid or CHIP ([click here to view](#)). The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) includes a requirement that the Departments of Labor (DOL) and Health and Human Services (HHS) 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). CHIPRA also created additional HIPAA special enrollment rights that permit eligible employees and their dependents to enroll in an employer's group health plan when Medicaid or CHIP coverage is terminated due to loss of eligibility; and upon eligibility for a premium assistance subsidy under Medicaid or CHIP.

The Model Employer CHIP Notice was designed as a template to cover an array of situations where employees may reside (or their families may reside) in states across the nation. Employers may use the model template on a national basis to fulfill their employer notice disclosure obligation. The notice must be provided annually, free of charge.

The notice must inform employees of potential opportunities for premium assistance currently available in the state in which the employee resides. Because employees (and their families) may reside in different states than their employer, the approach of the Model Employer CHIP Notice is to provide a very brief description of premium assistance and rely on state contact information for state-specific program descriptions. An employer facing multi-state complexities, who wants to provide more comprehensive state-specific information to its workforce, may modify the Model Employer CHIP Notice to its employees. However, employers should be mindful of the requirement to include at least the minimum relevant state contact information for any employee residing in a state with premium assistance.

The Model Employer CHIP Notice, which is available in [PDF format](#), as well as in modifiable [Word format](#), provides a list of states along with contact information (current as of January 22, 2010) that offer qualifying premium assistance programs. The DOL intends to update its website annually to reflect any changes to the contact info/list of states offering such programs. Employers are required to provide these notices by the later of (1) the first day of the first plan year after February 4, 2010; or (2) May 1, 2010. Accordingly, for plan years beginning between 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).

A separate CHIP notice mailing is not required. Thus, the Employer CHIP Notice may be furnished along with other items, such as enrollment packets, open season materials, or the plan SPD, so long as such materials are provided no later than the date noted above. Please note that the Employer CHIP Notice must also appear separately and in a manner which ensures that an employee who may be eligible for premium assistance could reasonably be expected to appreciate its significance.

Please contact your Conner Strong representative with any questions, toll-free at 1-877-861-3220.

This Legislative Update is provided for general informational purposes only and is not intended to be legal advice. Readers are urged to contact an attorney for legal advice or assistance.