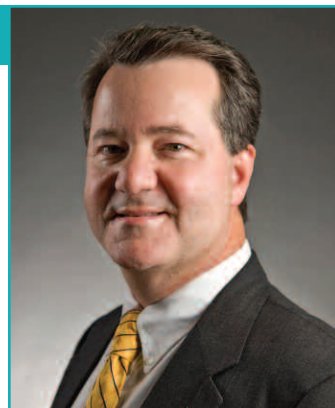


# CHIPRA: Mandatory Notice Compliance



By Philip L. Dickey

Last year President Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). Physician employers should know the Act allows states to subsidize premiums for employer-provided group health coverage for eligible low-income children and families.

## EMPLOYEE ELIGIBILITY

If an employee or dependent(s) is already enrolled in Medicaid or CHIP and lives in a state listed as providing assistance, he or she can contact their state Medicaid or CHIP office to find out if premium assistance is available. If your employee or dependent(s) is not currently in Medicaid or CHIP and thinks they may be eligible for either program, he or she can contact these state offices to find out how to apply. If the employee or dependent(s) qualifies, he or she can ask if the state has a program to help pay the premiums for an employer-sponsored plan.

Once it is determined that an employee or dependent(s) is eligible for premium assistance under Medicaid or CHIP, the employer's health plan is required to permit enrollment – as long as he or she is not already enrolled in the employer's plan. This is referred to as a "special enrollment" opportunity, and any request for coverage must be made within 60 days of being determined eligible for premium assistance.

## INFORMING EMPLOYEES

The Act requires employers offering group health plans and having employees that live in any of the 40 states currently providing premium assistance to notify employees of their potential rights to receive premium assistance under Medicaid or CHIP. These notices are referred to as Employer CHIP Notices.

As of Jan. 22, 2010, the following states use funds from their Medicaid or CHIP programs

to help people who are eligible for employer-sponsored health coverage and need help paying their health premiums: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

Tennessee is not included but multi-state physician practices with locations in any of the above listed states would be impacted. For example, a physician practice with employees in Bristol, TN, and Bristol, VA, would still need to provide the notice because they have employees in a participating state. If the practice only has employees in Tennessee, no notice is required at this time; however, the state participation list is open to change, so it is advisable for medical practices to check the list periodically.

Employers must provide the Employer CHIP Notice to applicable employees beginning with the first plan year that starts after February 4, 2010 (i.e., January 1, 2011, for group health plans that are on a calendar year). If the plan begins between February 4, 2010, and May 1, 2010, the initial Employer CHIP Notice must be provided by May 1, 2010.

Under CHIPRA, the Departments of Labor (DOL) and Health and Human Services developed a model notice for employers to use, now available online at [www.dol.gov/ehsa](http://www.dol.gov/ehsa) (Employer CHIP Notice). The DOL plans to update the notice annually, with current information about which states are providing premium assistance programs. Employers may combine this notice with other information (e.g., open enrollment materials) as long as it appears as a separate notice and in a manner that ensures it "stands-out" to employees.

## MEETING MULTIPLE STATE REQUIREMENTS

The Act requires employers offering group health plans and having employees who live in any of the 40 states currently providing premium assistance to notify employees of their potential rights to receive premium assistance under Medicaid or CHIP. These notices are referred to as Employer CHIP Notices.

## FAILURE TO COMPLY

Civil penalties of up to \$100 per day may be assessed on employers who do not provide the required notice. +

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