



**COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

**Group Administrator Memo #10-06**

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**To:** Group Benefits Administrators  
**From:** State and Local Health Benefits Programs  
**Date:** June 18, 2010  
**Re:** Early Retiree Reinsurance Program (ERRP)

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**The following information is only for TLC groups that offer Early Retiree Coverage:**

The Department of Health and Human Services (HHS) has issued an interim final rule implementing the temporary Early Retirement Reinsurance Program (Program) established by the Patient Protection and Affordable Care Act (PPACA) as part of the Health Care Reform Law. The Program, which has an overall funding limit of \$5 billion, starts on June 1, 2010, and will expire on January 1, 2014 (or when the \$5 billion funding allocation is exhausted, whichever comes first). The Program provides reimbursement to participating sponsors of employment-based plans for a portion of the costs of providing health coverage to early retirees age 55 and older who are not eligible for Medicare, and their eligible spouses, surviving spouses, and dependents. The Program will apply to claims incurred on or after June 1, 2010 in plan years ending after that date that fall between the cost threshold and the cost limit for the plan year.

While a significant amount of further clarification is needed before an application can be submitted, an overall program description prepared by Aon Consulting is attached along with an *Aon Alert* summary of the guidance issued by HHS. For more information on all aspects of Health Care Reform, including a webinar on the reinsurance program, you may access Aon's Health Care Reform web site, [www.aon.com/healthcarereform](http://www.aon.com/healthcarereform).

The webinar recording mentioned above is also available on the website. Scroll down to the **Recorded Webinar** menu on the right side. Click on **May 13, 2010 Recording: Impact on Retirees**. Once you click on the recording link, you may register and play the webinar.

For those who wish to apply for the ERRP Program, TLC will work with Aon to develop access to the claims data which will be available to you upon request. **While we will provide you with much of the information needed to apply, TLC will not be able to assist you with the preparation and filing of the application with HHS.**