

BENEFIT NEWS BRIEFS

ERRP Program's \$5 Billion Allotment Spent

What To Do Next Per CMS

The Early Retiree Reinsurance Program (ERRP) published an updated reimbursement report that identified the payments that have been made to Plan Sponsors from the \$5 billion dollars appropriated to this temporary program.

At this time, ERRP has received requests for reimbursement that exceed the \$5 billion appropriated in funding. CMS has indicated what steps Plan Sponsors participating in the ERRP program should take.

Reimbursement requests which exceed the program's \$5 billion will now be held in the order of receipt, pending the availability of funds that may become available through recoupment of overpayments. Plan Sponsors with reimbursement requests on hold can expect to receive an email notifying them that their reimbursement requests have been placed on hold pending the availability of funds.

CMS will continue to pay reimbursement requests in the order received until available funds are exhausted. If there are not sufficient funds to pay all reimbursement requests in their entirety, the request that causes the initial exhaustion of the funds available for payment will be partially honored and CMS will pay the balance of that reimbursement request if additional funds become available through recoupment of overpayments.

In the event that funds become available as a result of overpayment collections, CMS will pay subsequent reimbursement requests in the order of receipt until funds are once again exhausted. CMS will partially honor any reimbursement request that triggers the subsequent exhaustion of the funds available for payment, and will pay the balance of that reimbursement request if additional funds become available. Each time a partial payment is processed, the Plan Sponsor will receive an email notification regarding the specific amount paid and the balance remaining to be paid.

For each plan year that a Plan Sponsor has received ERRP funds, the requirement to submit a full-replacement Claim List that passes the automated edits (implemented in October 2011) and an associated reimbursement request by March 30, 2012, remains. If an error-free Claim List and a corresponding reimbursement request is not submitted, CMS will initiate procedures for recoupment of the funds paid to the plan sponsor. Funds returned to the program as a result of recoupment efforts will be used to pay outstanding reimbursement requests in the order in which they were received.

CMS encourages Plan Sponsors to keep the following program information up to date with the ERRP program, as it will assist in making prompt payment when funds become available:

- Responses to application questions
- Authorized Representative, Account Manager and Designee contact information (e.g. email address, phone number, etc.)
- Bank account information

Plan Sponsors should also notify the ERRP Center if they have identified data inaccuracies or changes to previously submitted price concession amounts (such as rebates) in order to obtain instructions on steps necessary to update their data.

CMS has announced its expectation that Plan Sponsors will use ERRP reimbursement funds they have received or will receive, as soon as possible, but in no case later than December 31, 2014. See Common Question [800-13](#) which is posted in the "Use of Reimbursement" section of the Common Questions on www.errp.gov.

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