



BENEFIT NEWS BRIEFS

CMS Releases Notice with December 31, 2014 Deadline For Plans to Use ERRP Funds

The Centers for Medicare & Medicaid Services (CMS) has published a *Notice* in the *Federal Register* establishing a timeframe by which plan sponsors participating in the Early Retiree Reinsurance Program (ERRP) are expected to use ERRP reimbursement funds. The *Federal Register* version of the *Notice* is available by "[clicking here](#)."

According to the *Notice*, it reiterates and formalizes CMS' expectation that a plan sponsor will use ERRP reimbursement funds as soon as possible, **but not later than December 31, 2014.**

The *Notice* cites the rule at 45 CFR 149.200, which states how plan sponsors must use the ERRP funds:

A sponsor must use the proceeds under this program to –

- (1) reduce the sponsor's health benefit premiums or health benefit costs,
- (2) reduce health benefit premium contributions, copayments, deductibles, coinsurance, or other out-of-pocket costs, or any combination of these costs, for plan participants, or
- (3) reduce any combination of the costs in (a)(1) and (a)(2) of this section. Proceeds under this program must not be used as general revenue for the sponsor.

The *Notice* indicates that CMS has published several guidance documents that further clarify this section of the rule (see the *Guidance on Complying with the Prohibition on Using Early Retiree Reinsurance Program Reimbursements as General Revenue under the Regulations and Guidance* section of www.errp.gov, and the *Common Questions* under the *Use of Reimbursement* section at www.errp.gov).

For recent Research Department Publications about ERRP developments see: [Client Bulletin 2011-57](#); [Benefit News Briefs 2011-59](#); [Benefit News Briefs 2011-65](#), [Client Bulletin 2011-78](#), [Benefit News Briefs 2011-81](#) and [Benefit News Briefs 2011-82](#).

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