

Model CHIP Notice Available

Pursuant to the Children's Health Insurance Program Restoration Act of 2009 ("CHIPRA"), an employer that maintains a group health plan in a state that provides medical assistance under Medicaid, in the form of premium assistance for the purchase of coverage under a group health plan, is required to make certain disclosures. Specifically, the employer is required to notify each employee on an annual basis of the potential opportunities available in the state in which the employee resides for premium assistance under Medicaid for health coverage of the employee or the employee's dependents. These notices are generally referred to as "CHIP Notices."

CHIPRA requires the Department of Labor ("DOL") to provide employers with model language for the CHIP Notices. The model is required to include information on how an employee may contact the state in which the employee resides for additional information regarding potential opportunities for premium assistance, including how to apply for such assistance.

The DOL issued on February 4, 2010 a model CHIP Notice. According to the DOL, the following states offer one or more programs that will subject employers to the CHIPRA requirements:

Alabama	Nevada
Alaska	New Hampshire
Arizona	New Jersey
Arkansas	New Mexico
California	New York
Colorado	North Carolina
Florida	North Dakota
Georgia	Oklahoma
Idaho	Oregon
Indiana	Pennsylvania
Iowa	Rhode Island
Kansas	South Carolina
Kentucky	Texas
Louisiana	Utah
Maine	Vermont
Massachusetts	Virginia
Minnesota	Washington
Missouri	West Virginia
Montana	Wisconsin
Nebraska	Wyoming

Accordingly, if an employer's group health plan provides benefits for medical care directly or through insurance, reimbursement or otherwise to participants or beneficiaries in one of the preceding states, the employer is required to provide a CHIP Notice, regardless of the employer's location or principal place of business. Employers are required to provide the CHIP Notice by the date that is the *later* of (i) the first day of the first plan year after February 4, 2010 or (ii) May 1, 2010. Thus, for calendar year plans, the CHIP Notice must be provided before January 1, 2011.

The CHIP Notice is not required to be provided in a separate mailing. Rather, the CHIP Notice may be furnished concurrent with enrollment packets, during open enrollment, or concurrent with the furnishing of the plan's summary plan description. However, the CHIP Notice must 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. In addition, the CHIP Notice may be provided electronically, provided that the DOL's electronic disclosure rules are satisfied.

The model CHIP Notice is available in modifiable, electronic form on the DOL's website at: www.dol.gov/ebsa.

Practice group contacts

If you have questions regarding the information in this legal update, please contact the Dechert attorney with whom you regularly work, or any of the attorneys listed. Visit us at www.dechert.com/employeebenefits.

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