

New CHIPRA Requirement

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The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) requires employers who sponsor a group health plan to notify employees of potential premium assistance available under a state's Medicaid or Children's Health Insurance Program (CHIP). This requirement also applies to employers sponsoring church plans and governmental plans.

You must provide this notice annually to all employees who reside in all but a handful of states. It also must be provided automatically and free of charge, even if the employees are not enrolled in your group health plan.

You must provide this notice by May 1, 2010 or by the first day of the plan year after February 4, 2010 – January 1, 2011 if you are a calendar year plan, whichever comes last.

Michigan does not currently have a premium assistance program available through the state's Medicaid or SCHIP program. Other states that do not currently provide premium assistance include Connecticut, Delaware, Hawaii, Illinois, Maryland, Mississippi, Ohio, South Dakota and Tennessee.

Unless you are certain that all of your employees live – not work – in states without premium assistance programs, we recommend that you provide the notice to all employees. Employers may modify the model notice, and we have drafted a version [here](#) that says premium assistance is not available in Michigan.

You are not required to make a separate mailing to employees for this purpose. The notice may be coupled with your group health plan open enrollment materials or new hire information packets; provided that:

- All employees entitled to the notice receive it, and
- Employees who may be eligible for premium assistance could reasonably be expected to appreciate the significance of the notice.

For these reasons, we do not advise that you simply add the notice to your summary plan description. Instead, it should be hand-delivered, mailed by first-class mail or sent to employees electronically if you comply with certain DOL distribution requirements. Employers who do not provide the notice are subject to penalties of up to \$100 per day per employee.

Contact April Goff or any other member of the Employee Benefits Practice Group at Warner Norcross & Judd for advice on the legal requirements or any other questions you may have about this notice.