

ERRP

Instructions for Completing Early Retiree Reinsurance Program Survey of Plan Sponsors



Centers for Medicare & Medicaid Services

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-XXXX. The time required to complete this information collection is estimated to average 11 hours, including the time to review instructions, search existing data resources, gather the data needed, and complete the survey. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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Survey of ERRP Plan Sponsors - Instructions

As the Account Manager for a Plan Sponsor that has received reimbursement under the Early Retiree Reinsurance Program (ERRP), the Centers for Medicare & Medicaid Services (CMS) is instructing you to complete a survey that is primarily related to determining how a plan sponsor has used or intends to use ERRP reimbursements.

The ERRP statute at 42 U.S.C. §18002(c)(4) limits the permissible uses of ERRP proceeds, as follows:

(4) USE OF PAYMENTS – Amounts paid to a participating employment-based plan under this subsection shall be used to lower costs for the plan. Such payments may be used to reduce premium costs for an entity described in subsection (a)(2)(B)(i) or to reduce premium contributions, copayments, deductibles, coinsurance, or other out of pocket costs for plan participants. Such payments shall not be used as general revenues for an entity described in subsection (a)(2)(B)(i).

That subparagraph also states:

The Secretary shall develop a mechanism to monitor the appropriate use of such payments by such entities.

As part of the Secretary's efforts to monitor the appropriate use of such payments, the Secretary is directing ERRP plan sponsors that have received ERRP funds to respond to a survey that asks detailed questions about how they have used or intend to use ERRP funds, and the timing of when they have or will use such funds. This survey also asks questions about certain decisions the sponsor has or will make with regard to coverage. Sponsors may be asked to respond to the survey multiple times for a given ERRP application over a period of time.

The purpose of this survey is to understand better how plan sponsors participating in the ERRP are utilizing program funds, and to assess the impact of the program on health coverage for early retirees and other plan participants. CMS may release the results publicly in whole or in part, but will not attribute any response to a particular sponsor. All results will be reported in aggregate. Sponsors should note, however, that the results of this survey may be subject to the Freedom of Information Act.

We do not expect that all answers to the survey are or will prove to be 100% accurate. However, we expect sponsors to answer all questions as accurately and completely as possible.

We are providing instructions for answering those questions in the survey that may not be self-explanatory.

CMS thanks you in advance for completing the survey.

Instructions

I. Plan Sponsor Information

Question 3

The ERRP definition of “early retiree” can be found in the definition section of the ERRP regulations at 45 CFR 149.2. A copy of the regulations can be found at www.errp.gov. There is additional information on the definition of early retiree in the set of Common Questions designated “Early Retirees” which are also published on www.errp.gov

II. Use of ERRP Reimbursements

All references to “plan year” in this survey, refer to the sponsor’s 12-month plan year, which may not necessarily reflect a calendar year. For purposes of this survey, a sponsor’s 2010, 2011, 2012, 2013, or 2014 plan year, refers to its plan year that ends in that year. For example, a sponsor’s plan year that starts on January 1, 2011, and ends on December 31, 2011, would be considered its 2011 plan year. A sponsor’s plan year that starts on July 1, 2011, and ends on June 30, 2012, would be considered its 2012 plan year.

Questions 7,12

The reference to “overall deductibles” refers to single deductibles that apply across all a plan’s benefits, as opposed to deductibles for a discrete type or category of benefits. However, if a plan has a single deductible that applies across all a plan’s medical benefits, and a separate deductible that applies to prescription drugs, the reference to “overall deductibles” refers to the single deductible that applies across all the plan’s medical benefits.

Questions 10, 15

To the extent that premium costs paid by plan participants are or will be reduced, or increases to premium costs paid by plan participants are or will be offset, but not for all plan participants, and/or not equally for all plan participants, your answer should reflect a weighted average. For example, a plan has 100 plan participants for whom premium costs they pay (in terms of dollars) stayed the same for 30 plan participants, increased 5% for 30 plan participants, and increased 10% for 40 plan participants.. The weighted average of the premium increase would be calculated as follows: $[(0 \times 30) + (5 \times 30) + (10 \times 40)] / (30 + 30 + 40)$. This would yield a weighted average of 5.5%..

Questions 11, 16

The reference to “overall deductibles” refers to single deductibles that apply across all a plan’s benefits, as opposed to deductibles for a discrete type or category of benefits. However, if a plan has a single deductible that applies across all a plan’s medical benefits, and a separate deductible that applies to prescription drugs, the reference to “overall deductibles” refers to the single deductible that applies across all the plan’s medical benefits.

To the extent that overall deductibles are or will be reduced, or increases to deductibles are or will be offset, but not for all plan participants, and/or not equally for all plan participants, your answer should reflect a weighted average. See sample weighted average calculation in the Instruction for Questions 10 and 15.