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Applications for Early Retiree Reinsurance Program Now Being Accepted

Affordable Care Act to Provide Financial Relief for Businesses, Unions, State and Local Governments Who Provide Health Insurance for Early Retirees

The Department of Health and Human Services' Office of Consumer Information and Insurance Oversight (OCIIO) today announced that it will begin accepting applications for the Early Retiree Reinsurance Program (ERRP). Created by the Affordable Care Act as a bridge to the new health insurance marketplace established by the Exchanges in 2014, this $5 billion program will provide much needed financial assistance for employers, including businesses, unions, state and local governments, and nonprofits, so retirees can get quality, affordable insurance.

"The Affordable Care Act not only helps consumers cut their health care costs and have more access to quality care, it also is designed to help employers afford coverage. The Early Retiree Reinsurance Program will help employers continue to provide much-needed health insurance to their retirees," said Secretary Kathleen Sebelius. "Today, Americans who have retired but are not yet eligible for Medicare are often unable to find coverage that is affordable and meets their health needs on the individual market. This program will help both retirees and employers facing spiraling health care costs, and ensure more Americans have access to the health care they need."

Many Americans who retire without employer-sponsored insurance and before they are eligible for Medicare are denied coverage or see their life savings disappear because of exorbitant rates in the individual market. Until Americans have access to affordable insurance plans through health insurance Exchanges in 2014, this program will make it easier for retirees and their families to maintain their employer-based coverage.

The Early Retiree Reinsurance Program will reimburse employers for medical claims for retirees age 55 and older who are not eligible for Medicare, and their spouses, surviving spouses, and dependents. Employers, including state and local governments and unions, who provide health coverage for early retirees are eligible to apply.

Reimbursements will be available for 80 percent of medical claims costs for health benefits between $15,000 and $90,000. Program participants will be able to submit claims for medical care going back to June 1, 2010.

Today is the first day applications are being accepted. A draft application was made available June 7, and OCIIO has hosted several stakeholder outreach calls to explain the program. Additional application assistance, including a webinar, will be available on-line this week.

Applications for the program, as well as fact sheets and application assistance can be found at: www.hhs.gov/ociio.