



Legal Alert: CHIPRA Expands Enrollment Rights Under Group Health Plans

New Special Enrollment Rights Under Group Health Plans. Enacted February 2009, the Children's Health Insurance Program Reauthorization Act of 2009 ("CHIPRA") expands the State Children's Health Insurance Program (now referred to as "CHIP"), a joint federal and state program that provides health insurance to certain low-income children and their families whose income is too high to qualify for Medicaid, but too little to afford private health insurance. CHIPRA creates new special group health plan enrollment rights, new notice requirements and compliance penalties.

Effective April 1, 2009, CHIPRA creates two new special enrollment rights under the Health Information Portability and Accountability Act ("HIPAA"): when an employee or dependent child (i) loses eligibility for coverage under Medicaid or CHIP; or (ii) becomes eligible for premium assistance from Medicaid or CHIP allowing him or her to enroll in a group health plan. The group health plan must provide a special enrollment period of at least 60 days for these events, measured from the date of coverage loss or eligibility for premium assistance, as applicable. Notice of the new CHIPRA special enrollment rights should have been provided to employees by April 1, 2009. If the plan is an insured plan, PPO or HMO, you should confirm delivery of notice of the new special enrollment rights with your carrier or plan administrator.

Sponsors and administrators of group health plans must inform employees annually about the availability of state subsidies to help pay for low-income children's coverage under group health plans. The notice requirements become effective in the first plan year after the federal Departments of Labor and of Health and Human Services issue a model form of notice, currently scheduled to be issued by February 4, 2010.

Failure to comply with the special enrollment rights and notice requirements may incur civil penalties and excise taxes of up to \$100 a day.

This alert is meant to provide general information only, not legal advice. Please contact Judith Moldover at Lawyers Alliance for New York at (212) 219-1800 x 250 or visit our website www.lawyersalliance.org for further information.

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