

COMPLIANCE ALERT

DEPARTMENT OF LABOR RELEASES UPDATED MODEL CHIP NOTICE

April 1, 2020

QUICK FACTS

- The U.S. Department of Labor's (DOL) Employee Benefits Security Administration (EBSA) recently released an updated model notice that may be used by employers to provide information on eligibility for premium assistance under Medicaid or the Children's Health Insurance Program (CHIP).
- The updated model notice, current through January 31, 2020, is available [here](#).
- Employers who maintain group health plans in states that provide premium assistance under Medicaid or CHIP are required, on an annual basis, to notify all employees of potential premium assistance opportunities for the state in which an employee resides.
- EBSA's updated model notice now includes contact information for California's Medicaid program.

OVERVIEW

The U.S. Department of Labor's (DOL) Employee Benefits Security Administration (EBSA) recently released an updated model notice that employers may use to provide information on premium assistance eligibility under Medicaid or the Children's Health Insurance Program (CHIP).

BACKGROUND

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) requires employers who maintain group health plans in states that provide premium assistance under Medicaid or CHIP to annually notify all employees of potential premium assistance opportunities in the state where an employee lives. To assist employers with their disclosure obligations, EBSA developed a model notice for employers to use. The model notice includes contact information for states that provide Medicaid or CHIP premium assistance programs.

EBSA customarily releases updated versions of the model notice twice a year – at the end of January and July – to account for recent changes to the contact information related to various state Medicaid or CHIP programs.

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Employers may distribute the model notice annually with its health plan Summary Plan Description or open enrollment materials, so long as the materials are provided to all employees, and are provided in compliance with the DOL's document distribution rules. The technical regulations require the notice to be separate from other plan materials.

The updated model notice, current through January 31, 2020, is available at [here](#).

CALIFORNIA MEDICAID PROGRAM ADDED TO UPDATED MODEL NOTICE

EBSA's updated model notice now includes the contact information for California's Medicaid program. This inclusion would seem to suggest that California has only recently adopted a Medicaid program, but paradoxically, California has long maintained a Medicaid program. Whether intentionally or not, prior versions of the model notice in recent years have omitted any references to California's program.

Because California's program was not listed in prior versions of the model notice, some employers with California employees may have elected over the years not to distribute the model notice to their California employees. Now, however, all employers who maintain group health plans with employees in California should ensure that they timely distribute the model CHIP notice to their California employees going forward.

CONCLUSIONS

While employers are not required to re-distribute the updated notice to employees who received the prior version in the last year, employers should adopt and begin using the updated model notice.

EPIC Employee Benefits Compliance Services

For further information on this or any other topics, please contact your EPIC benefits consulting team.

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