

EMPLOYEE BENEFITS

Alert

NEWS FOR THE CLIENTS AND FRIENDS OF BASS, BERRY & SIMS PLC

Deadline Approaches for CMS Registration

March 11, 2009

During the month of April, group health plans must register online with the Centers for Medicare and Medicaid Services (CMS). Registration is required in connection with the information reporting requirements imposed by the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA).

Responsibility for registration rests with third party administrators of self-insured group health plans and with the insurer of an insured group health plan. For self-insured plans that are also self-administered, the plan administrator or named fiduciary must register the plan. More information on exactly how to register will be located at <http://www.cms.hhs.gov/MandatoryInsRep> upon availability from CMS (this information is expected to post on or around April 1).

Following successful registration with CMS, each plan will be required to file quarterly information reports describing the demographic makeup of its participants. Quarterly reports are due during the plan's applicable "submission period," and each plan will be assigned a submission period *for the quarter* (for example, the 4th week of the calendar quarter) upon registration with CMS. Failure to make quarterly filings when required can subject the plan to penalties of \$1,000 per plan participant per day. Successful reporting will not be possible unless registration was completed by April 30.

Although most plans' first actual report will be due during the second or third quarter of 2009 (depending on their assigned submission period), it should be noted that CMS recently announced a limited reporting extension with respect to Health Reimbursement Arrangements (HRAs). The first report for these arrangements is not due (and should not be filed) until the fourth quarter of 2010.

Except for the rare employer that administers its own self-insured plan, most plan sponsors will not be subject to penalties for non-compliance with MMSEA's requirements. Nevertheless, plan sponsors should contact their insurer or TPA to verify that all necessary registration and reporting will be handled appropriately. Sponsors that administer their own self-insured plans should be certain to complete on-line registration with CMS no later than April 30.

Please contact any of the attorneys in the Bass, Berry & Sims Employee Benefits Practice listed below for assistance.

Bass, Berry & Sims Employee Benefits Attorneys

Fritz Richter

(615) 742-6256

frichter@bassberry.com

David Thornton

(901) 543-5922

dthornton@bassberry.com

Richard Barry

(615) 742-6230

rbarry@bassberry.com

Curtis Fisher

(615) 742-7892

cfisher@bassberry.com

John Kirk

(615) 742-7808

jkirk@bassberry.com

Michael Moore

(901) 543-5916

mtmoore@bassberry.com

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315 Deaderick Street • Suite 2700 • Nashville, TN 37238-3001 • (615) 742-6200
The Tower at Peabody Place • 100 Peabody Place, Suite 900 • Memphis, TN 38103-3672 • (901) 543-5900
1700 Riverview Tower • 900 S. Gay Street • Knoxville, TN 37902 • (865) 521-6200

www.bassberry.com