



Affordable Care Act (ACA) Transitional Reinsurance Program 2015 Submission Requirements

Again in 2015, sponsors of self-funded medical plans, as Contributing Entities under the Transitional Reinsurance regulations, will need to register online, submit plan and Annual Enrollment Count data, and schedule payments by November 16, 2015. This is the second year of the three-year requirement.

- If your organization submitted reinsurance information to pay.gov in 2014, you will use the same account and the same credentials to log on that you established last year
- The data submission process is also like last year's, except more simplified – most employers will not need to provide additional Supporting Documentation – see page 4

For an overview of the Transitional Reinsurance Program, please see page 4.

Important Dates:

October 9, 2015 – Date by which Health Plans will provide clients with covered lives data

November 16, 2015 – Date by which plan sponsors must submit data and schedule payments on pay.gov

*****Earlier submission is recommended to avoid delays associated with heavy online activity *****

Inside:

| | |
|--|---|
| Annual Enrollment Data | 2 |
| Timeline for 2015 | 3 |
| Avoiding Common Pitfalls | 4 |
| Supporting Documentation Requirement Waived for Most | 4 |
| Program Overview | 4 |

Getting Started

To help ensure that your organization meets the November 16, 2015 deadline, your staff responsible for the submission should register at REGTAP.info¹ as soon as possible to review the training modules, FAQs and other tools.

- Registration is easy: just go to REGTAP.info, enter an email address and create a password.
- Then click on “Library” and filter for Reinsurance-Contributions to find the tools to help complete the data submission and payment processes.

Where to find it

REGTAP.info: tools, FAQs, manuals and other resources including step-by-step instructions for registering and submitting data on the Transitional Reinsurance Form

pay.gov: ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form that must be completed by November 16, 2015 (available October 1, 2015)

¹REGTAP is the acronym for the federal Registration for Technical Assistance Portal

Affordable Care Act (ACA) Transitional Reinsurance Program 2015 Submission Requirements

Getting Started, cont'd

If your organization has not yet established an account at pay.gov, you will need to register and establish an account. The account enables you to submit the required data and arrange for HHS to make an ACH transfer from your bank account to pay the fee. If your organization already has an account, you should use it to submit data and arrange payments for the 2015 reinsurance contribution.

Annual Enrollment Data

The fee payable under the Transitional Reinsurance Program is based on a plan's Annual Enrollment Count. Annual Enrollment Count is the average of covered lives (both employees and dependents) between January 1 and September 30 of each reporting year. The regulations permit self-funded plans to calculate the Annual Enrollment Count using any of three methods: Snapshot, Actual Count, or Form 5500².

Health Plans will again use the Snapshot Method to provide our clients with enrollment data for 2015, counting membership for each plan as of the first day of each month, January through September. The data will separately list the numbers of employees and covered dependents for each month, as well as the total covered lives for each month.

- **If Health Plans was your TPA for the entire nine-month period** (January 1-September 30), the report will show the total covered lives for the entire period, as well as the Annual Enrollment Count number for you to enter on pay.gov (calculated as total covered lives ÷ 9 months).
- **If Health Plans was not your TPA for the entire nine-month period**, the report will show the total covered lives for each month the plan was administered by Health Plans, and zeros for the other months. The report will also include specific instructions about how to calculate the Annual Enrollment Count depending on whether the plan was fully insured or self-funded during the months Health Plans was not the TPA.

**Health Plans will send clients
2015 email enrollment reports
by October 9, 2015.**

²Each method is detailed in the Module 2: 2015 Reinsurance Contributions Counting Methods Overview (8/17/15) posted on the REGTAP.info site.

Affordable Care Act (ACA) Transitional Reinsurance Program 2015 Submission Requirements

The *Timeline for 2015* below provides a recommended schedule for completing the Transitional Reinsurance Program registration, data submission and payment requirements by the final deadline.

Timeline for 2015

| | | | | | | | |
|--------------------------------------|---|-------------------------|--------------------------|--------------------------------------|--------------------------------------|--|---------------------------------------|
| Step 1 | <p>When: Recommended by October 16</p> <p>What: Register or log on to both pay.gov and REGTAP.info</p> <ul style="list-style-type: none"> • Review the 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form (available October 1,2015). • Review the steps involved in paying the Transitional Reinsurance Fee. <p>Who: Employer (Employer’s designated staff)</p> | | | | | | |
| Step 2 | <p>When: Recommended by October 23</p> <p>What: Gather covered lives data for the first nine months of 2015 to generate the Annual Enrollment Count.</p> <p>Who: Health Plans – by October 9 will provide clients with covered lives reports for January through September. Employer – if covered by a different TPA at any point between January 1 and September 30, 2015, will need to contact that TPA or use employer records to determine covered lives³.</p> | | | | | | |
| Step 3 | <p>When: Recommended by October 28</p> <p>What: Estimate fee due using Annual Enrollment Count.</p> <p style="text-align: center;">2015 total fee: \$44.00 per average covered life</p> <p>Decide whether to make one or two payments.</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; vertical-align: top;">One installment:</td> <td style="text-align: center; vertical-align: top;">Two installments:</td> </tr> <tr> <td style="text-align: center;">\$44 per covered life due by 1/15/16</td> <td style="text-align: center;">\$33 per covered life due by 1/15/16</td> </tr> <tr> <td></td> <td style="text-align: center;">\$11 per covered life due by 11/15/16</td> </tr> </table> <p>Who: Employer</p> | One installment: | Two installments: | \$44 per covered life due by 1/15/16 | \$33 per covered life due by 1/15/16 | | \$11 per covered life due by 11/15/16 |
| One installment: | Two installments: | | | | | | |
| \$44 per covered life due by 1/15/16 | \$33 per covered life due by 1/15/16 | | | | | | |
| | \$11 per covered life due by 11/15/16 | | | | | | |
| Step 4 | <p>When: Recommended by October 30</p> <p>What: Confirm that ACH transfer initiated by HHS will be accepted by your bank. HHS will withdraw the contribution from the bank account on the payment date(s) scheduled. HHS will send an email several days in advance of the withdrawal to the contact named in the Form (see Step 5 below). No other payment method is permitted by HHS.</p> <p>Who: Employer</p> | | | | | | |
| Step 5 | <p>When: Required by November 16; recommended by November 6 in case there are unexpected delays in the process</p> <p>What: Log on to pay.gov. Access and complete 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form (“the Form”). The fee amount will be auto-calculated and shown on your computer screen. Schedule one or two payment(s) for any date at least 30 days after submission, but no later than 1/15/16. Any second payments are due by 11/15/16. (If two payments are scheduled, follow directions to copy the Form to request a second payment date.)</p> <p>Who: Employer</p> | | | | | | |

³If the plan was fully insured for any period between January 1 and September 30, the insurer is responsible for reporting and paying the fee for that period, but may pass the fee on to plan sponsors either in the overall rate or as a separate fee.

Affordable Care Act (ACA) Transitional Reinsurance Program 2015 Submission Requirements

Avoiding Common Pitfalls

Based on feedback we received from clients and brokers last year, here are some tips for avoiding pitfalls they encountered in the Transitional Reinsurance Program process:

- If possible, **log on to pay.gov either early or late in the day** to avoid sluggishness in the connection due to heavy volume
- Be sure to **schedule your payment for at least 30 days after the date you complete your submission on pay.gov**; otherwise you may get an error message
- **Add 2 decimal points to your Annual Enrollment Count** if the pay.gov program is incorrectly adding them (e.g., if your Annual Enrollment Count is 716, be sure that when you enter it, it comes out as 716.00 and not 7.16)

Supporting Documentation Requirement Waived for Most

For 2015, “Contributing Entities” (the plan sponsor for self-funded plans) submitting information only on their own plans will not be required to submit separate “Supporting Documentation” to verify the annual enrollment counts. Supporting Documentation is required only if a Contributing Entity is submitting information on behalf of at least three other separate Contributing Entities in addition to itself (such as a parent company submitting for its subsidiaries where each subsidiary sponsors its own plan). This change significantly streamlines the Reinsurance contribution process. By contrast, in 2014 all Contributing Entities were required to download, populate and then upload an HHS-designed spreadsheet that restated the information that had been manually input on pay.gov.

Program Overview

For those new to the Transitional Reinsurance Program, here is some general background about the program and how it works.

The transitional reinsurance program was established under the ACA to help stabilize premiums in the individual health insurance market from 2014 to 2016. The statute specifies that the program will be funded by contributions from insurers in the individual, small group and large group markets, as well as by self-insured group health plans. Health and Human Services (HHS) has set an annual per capita rate of \$44 for 2015. (The 2014 rate was \$63 and the rate for 2016 has not yet been determined.) The fee applies to all participants – subscribers and dependents – in group health plans that provide major medical coverage, except Medicare supplemental plans.

By mid-November each year from 2014 to 2016, Contributing Entities are required to provide HHS with the enrollment data necessary to calculate the fee for that year. For self-funded plans, the Contributing Entity is the plan sponsor. The entire fee, which is automatically calculated when the data is entered on pay.gov, may be submitted in one payment by January 15 of the following year, or in two payments, by January 15 and November 15 of the following year.

If you have any questions about the information in this *Bulletin*, please contact your Health Plans Account Manager.

This Bulletin is intended to provide a summary of our understanding of recent regulatory developments that may affect our clients' plans. It should not be construed as specific legal advice or legal opinion. The contents are for general informational purposes only and are not a substitute for the advice of legal counsel.

⁴For fully insured plans, the Contributing Entity is the insurer, but the fee may be passed on to the plan sponsor.