

What is the Transitional Reinsurance Plan Fee?

As a reminder, the Transitional Reinsurance Program (TRP) is a temporary program established to stabilize premiums in the individual health insurance market and is part of the implementation of the Affordable Care Act (ACA). The fee is in response to individuals with higher cost medical needs gaining insurance coverage in the state and federal marketplace. The TRP requires any health plan providing major medical coverage to contribute a fee for each covered life (employees and dependents) that the health plan covers. Standalone dental and vision plans, flexible spending accounts, health reimbursement arrangements, health savings accounts, and other limited plans are not required to make a TRP fee payment. TRP fees will apply from 2014 through 2016.

Who Pays the TRP fee?

The fee will be paid by the insurer and is included in premium for fully-insured plans. Self-funded plan sponsors (generally, the employer) will be required to report covered lives and make a fee payment on behalf of the plan. Self-funded plan sponsors may also request that their Third Party Administrator or Administrative Services Only Contractor pay the fee at their direction.

It is important to note that self-funded self-administered plans (those that do not use an administrator and handle core administrative functions in-house) only owe the fee in 2014 and are exempt from payments in 2015 and 2016.

What are Self-funded Plan Sponsors required to do?

Self-funded employers are required to do two things: submit an annual enrollment report of the covered lives in their major medical plan and pay the fee. The 2014 fee was \$63 per covered life. In 2015, the fee is \$44 per covered life and in 2016 the fee will be \$27 per covered life. Both the annual enrollment report and the actual fee submission will be made through www.pay.gov. Following is additional information on the process and timing.

1. **Annual enrollment report:**
 - a. By Monday November 16, 2015, the annual enrollment report of covered lives must be submitted using one of four methods (actual count, snapshot count, snapshot factor, or 5500 method – [click here](#) to see examples the methods).
 - b. The reporting form is labeled “[2015 ACA Transitional Reinsurance Program Annual Enrollment Contributions Submission](#)” on the pay.gov website. The form is available now.
2. **Fee submission:** Two methods of payment are acceptable. Employers may either make a lump sum payment or pay the fee in two installments. The fee is paid electronically at www.pay.gov.

- a. The lump sum payment is due January 15, 2016 (\$44 per covered life) or;
- b. Payments made in two installments may be made as follows:
 - i. First and largest installment (\$33 per covered life) due January 15, 2016; and
 - ii. The smaller installment of (\$11 per covered life) due on November 15, 2016.

How HORAN Can Help

HORAN can assist employers by helping gather the necessary information to calculate covered lives for the annual enrollment report. For most employers, the easiest count to calculate or provide is either the 5500 count from annual Form 5500 filings of ERISA plans or the snapshot count method. At your request, we will contact your administrator for information for the snapshot count calculation or provide the calculation from your annual Form 5500 filing if applicable.

Process for Filing Annual Enrollment and Paying the Transitional Reinsurance

Before beginning the process, you should calculate annual enrollment using one of the approved methods, prepare supporting documentation, and gather organizational information such as contacts and employer identification number.

1. Register your organization on www.pay.gov or use previous login created to pay the 2014 Transitional Reinsurance Fee
 - i. On the pay.gov home screen, select the 'Register' link in the upper right corner
 - ii. Provide information such as: contact individuals information, organizations legal business name, billing information, TIN, and other information
 - iii. Submit registration information
2. Access the ACA transitional reinsurance form on www.pay.gov
 - i. On the 'My Account' page use the search bar to find the 'ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form'
3. Complete the form which will include basic company information and annual enrollment count information
 - i. Most of the information should auto-populate from your organizations profile page established during registration of your organization
 - ii. Review to make sure all of the information is correct
 - iii. There will need to be 3 individuals that are designated as contacts for submission of the transitional reinsurance fee
4. Upload supporting documentation for the enrollment count (if applicable)
 - i. For 2015, supporting documentation is only necessary for reporting entities that are reporting on behalf of 4 or more contributing entities. If you are reporting for three contributing entities or less, you may skip this step and proceed to payment of the TRP fee.

- ii. If reporting for four or more contributing entities, choose the benefit plan year, the scheduled payment date, enter enrollment count using one of the approved calculation methods, and save the excel file as a CSV file prior to uploading (more information is available through CMS and in the additional resource section below)
 - iii. CMS gives employers help with supporting documentation. If you would like a template (Job Aid) to use for the CSV file, Job Aid may be accessed in the additional resource section of this document below and is entitled “ 2015 Benefit Year-Supporting Documentation: Job Aid and Job Aid Manual”
5. Enter your organizations payment information. Based upon your enrollment count, the amount of your payment is automatically calculated.
 - i. Schedule desired payment option

Additional resources for more information:

The Transitional Reinsurance Program Operational Guidance and Examples of Counting Methods:

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Downloads/The-Transitional-Reinsurance-Program-Operational-Guidance-Examples-of-Counting-Methods-for-Contributing-Entities.pdf>

2015 Transitional Reinsurance Form Step-by-Step Guide:

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Downloads/Quick-Start-Guide-to-the-2015-Transitional-Reinsurance-Form.pdf>

Supporting Documentation, Job Aid and Job Aid Instructions:

[2015 Benefit Year - Supporting Documentation: Job Aid and Job Aid Manual](#)

2015 Transitional Reinsurance Webinar Slides

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Downloads/Module-2-2015-Reinsurance-Contributions-Counting-Methods-Overview.pdf>

All other TRP related information available:

<http://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Reinsurance-Contributions.html>

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