



SecureOne Benefit Administrators, Inc ACA Compliance Update

April 2015

Transitional Reinsurance Fee Frequently Asked Questions For 2015

Question: Is the reinsurance contribution based on the calendar year even if a contribution entity operates on a plan year that is not on a calendar-year basis?

Answer: Yes. The annual enrollment count for the Transitional Reinsurance Program is based on a calendar year. A contributing entity must use one of the permitted counting methods in 45 CFR 153.405(d) through 45 CFR 153.405(g). These counting methods generally calculate covered lives based on enrollment in the first nine (9) months of a calendar year.

Question: How should the annual enrollment count be calculated when a non-calendar-year group health plan that offers only one (1) coverage option changes from self-funded to fully insured mid-calendar year?

Answer: A group health plan that offers only one coverage option would be responsible for paying the reinsurance fee for those enrollees from January 1, 2015, through the date on which the plan changes to fully insured. The issuer of the fully insured plan would be responsible for paying the reinsurance fee for those enrollees starting on the date the plan changes to fully insured through September of that year and going forward. Therefore, both plans would be responsible for paying a portion of the fee for the year in which the change was made on behalf of the covered lives in those plans using one of the permitted counting methods in 45 CFR 153.405(d) and 45 CFR 153.405(e) as applicable. These counting methods generally calculate covered lives based on enrollment in the first nine (9) months of a calendar year.

Question: Can you explain the difference between the three Types of Payment options (First Collection, Second Collection and Combined Collection)?

Answer: A Contributing Entity must submit their Annual Enrollment Count and schedule its reinsurance contribution payment date(s) no later than November 15, 2015 by completing the 'ACA Transitional Reinsurance Program Annual Enrollment and Contribution Submission Form' through Pay.gov. HHS offers Contributing Entities the option to pay: (1) the entire 2015 Benefit Year contribution in one (1) combined payment (i.e. the Combined Collection) no later than January 15, 2016 reflecting \$44.00 per covered life; or (2) in two separate remittance amounts which have yet to be determined yet by HHS for 2015 but the first amount would be due by January 15, 2016 (i.e. the First Collection), and the second remittance due in the fourth quarter of 2016 (i.e. the Second Collection).



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Transitional Reinsurance Fee Frequently Asked Questions Continued

Question: How will the number of covered lives be audited?

Answer: Pursuant to 45 CFR 153.405(i), HHS or its designee may audit a contributing entity to assess its compliance with the requirements of Part 153 subpart E. When setting forth this audit authority, we stated in the HHS Notice of Benefit and Payment Parameters for 2015 that any audit of a contributing entity should focus on records relating to enrollment in the applicable self-insured or insured plan, to confirm that the number of covered lives was correctly calculated and that the correct amount of reinsurance contributions was paid. Additionally, these audits may be used to identify entities that were required to but did not make reinsurance contributions. We intend on developing the protocols and procedures of our audits, such as timeframes for notification, formats for submitting supporting documentation, and appeals of audit findings, as part of future rulemaking and guidance.

We also note that pursuant to 45 CFR 153.405 (h), a contributing entity must maintain documents and records, whether paper, electronic, or in other media, sufficient to substantiate the enrollment count submitted pursuant to this section for a period of at least 10 years, and must make those documents and records available upon request from HHS, the OIG, the Comptroller General, or their designees, to any such entity, for purposes of verification, investigation, audit or other review of reinsurance contribution amounts.

Key Resources:

1) REGTAP: Communications regarding the Transitional Reinsurance Contribution process will be made through REGTAP: the Registration for Technical Assistance Portal. REGTAP emails for announcements about form availability, upcoming events and other program information.

Access documents and FAQ's are at REGTAP by selecting "Library" or "FAQ" on REGTAP Dashboard <https://www.regtap.info/> and select "Register as a New User".

2) Transitional Reinsurance Webpage www.cms.gov/cc110/programs-and-initiatives/premium-stabilization-program/the-transitional-reinsurance-program/reinsurance-contribution.html

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