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Guidance for Making Transitional Reinsurance Contributions

The Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS) has released [guidance on the process for making reinsurance contributions](#), as required under the Transitional Reinsurance Program (TRP) established by the Patient Protection and Affordable Care Act (PPACA).

Background. The three-year TRP fee is imposed on fully-insured plans and plan administrators (on behalf of self-insured group health plans) and is intended to help partially offset the risk of high-cost individuals and control insurance premium increases during the first three years that state health insurance exchanges are operational (i.e., 2014 through 2016). See our [Update](#) for details on the final TRP rules.

For 2014, the annual TRP fee is \$63 per enrollee (this includes enrolled employees and dependents), and it applies to all insured and self-funded "major medical" plans. For 2014, a plan submits its enrollment count by November 15, 2014. The TRP fee will be collected in two phases per year. The bulk of the 2014 fees (\$52.50 per enrollee for the actual reinsurance component of the fee) will be due in mid-January 2015, and the balance (\$10.50 attributable to the collection of Early Retiree Reinsurance Program expenditures) will be due in December 2015. HHS also allows the option to make the entire contribution in one installment per year in January 2015.

Streamlined Collection Process. According to the new guidance, HHS will soon implement "a streamlined process for the collection of reinsurance contributions." A form will be available on [Pay.gov](#) where a contributing entity (or a third-party administrator on its behalf) "will provide basic company and contact information, and the annual enrollment count for the applicable benefit year, no later than November 15. ... The form will auto-calculate the contribution amounts. To complete the submission, entities will also submit payment information and schedule a payment date for remittance of the contributions."

Should you have questions about this or any aspect of healthcare reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).

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