



Health Care Reform **Bulletin**

Deadline for Submitting Reinsurance Fee Enrollment Counts Extended to Dec. 5

Provided by Stellar Benefits Group

Quick Facts

- The reinsurance fee annual enrollment count must be submitted by Nov. 15 each year.
- On Nov. 14, 2014, CMS extended the regulatory deadline for 2014 to 11:59 p.m. on **Dec. 5, 2014**.
- A contribution form became available via www.pay.gov on Oct. 24, 2014.
- The deadline to submit the first reinsurance contribution payment is still **Jan. 15, 2015**.

The deadline for contributing entities to submit their 2014 annual enrollment counts has been extended until **11:59 p.m. on Dec. 5, 2014**.

The Affordable Care Act (ACA) imposes a fee on health insurance issuers and self-funded group health plans in order to fund a transitional reinsurance program for the first three years of Exchange operation (2014-2016). The fees will be used to help stabilize premiums for coverage in the individual market.

Entities that must pay these fees, called “contributing entities,” are generally required to submit their annual enrollment count to the Department of Health and Human Services (HHS) by **Nov. 15** of each benefit year. To do this, contributing entities must register on Pay.gov and complete a [contribution form](#) for the year.

For the 2014 benefit year, the regulatory deadline for submitting the reinsurance fee contribution form is Nov. 15, 2014. An [FAQ](#) initially extended this deadline until Monday, Nov. 17, 2014, since Nov. 15 was a Saturday. However, on Nov. 14, 2014, the Centers for Medicare & Medicaid Services (CMS) **further extended the regulatory deadline for contributing entities to submit their 2014 enrollment counts until 11:59 p.m. on Dec. 5, 2014**. The payment deadlines (Jan. 15, 2015, and Nov. 15, 2015) remain the same.

The contribution form that will be used to submit annual enrollment counts became available **Oct. 24, 2014**. HHS also provided an [Annual Enrollment and Contributions Submission Form Manual](#) and a [Supporting Documentation Job Aid Manual](#).

Contributing Entities

A contributing entity is defined as a health insurance issuer or a third-party administrator (TPA) on behalf of a self-insured group health plan. However, certain types of coverage are excluded from paying reinsurance fees.

- **Fully-insured Group Health Plans**—For insured health plans, the **issuer of the health insurance policy** is required to pay reinsurance fees. However, issuers will likely shift the cost of the fees to sponsors through premium increases.
- **Self-insured Group Health Plans**—For self-insured group health plans, the **plan sponsor** is liable for paying reinsurance fees, although a TPA or an administrative-services-only (ASO) contractor may pay the fee at the plan’s direction. For a plan maintained by a single employer, the employer is the plan sponsor.

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However, there is a limited exception for self-insured, self-administered plans. For 2015 and 2016, the term “contributing entity” excludes self-insured group health plans that do not use a TPA for the core administrative functions of claims processing or adjudication (including management of appeals) or plan enrollment.

Deadlines

Contributing entities are required to submit their annual enrollment count to HHS, generally by Nov. 15 of each benefit year. However, because this is the first year that this process is being implemented, CMS received requests for an extension of the deadline for contributing entities to submit their 2014 enrollment counts for reinsurance contributions.

As a result, on Nov. 14, 2014, CMS **extended the deadline until 11:59 p.m. on Dec. 5, 2014**. This is the second deadline extension that CMS has provided for 2014 reinsurance fee enrollment counts. Because Nov. 15, 2014, was a Saturday, CMS previously stated in [FAQ 5415](#) that contributing entities could submit the annual enrollment count by **Nov. 17, 2014**.

Despite this deadline extension, the payment deadlines remain the same. These fees may be paid in two installments—one at the beginning of the calendar year following the applicable benefit year, and then one at the end of that calendar year. Key deadlines for the 2014 benefit year are:

- **Dec. 5, 2014**—For the 2014 benefit year, the Nov. 15 regulatory deadline for contributing entities to submit annual enrollment counts has been extended to 11:59 p.m. on Dec. 5, 2014.
- **Jan. 15, 2015**—The first payment of \$52.50 per covered life is payable by the regulatory deadline of Jan. 15, 2015. This payment will be allocated towards reinsurance payments and administrative expenses.
- **Nov. 15, 2015**—The second payment of \$10.50 per covered life is payable by the regulatory deadline of Nov. 15, 2015. This

payment will be allocated towards payments to the U.S. Treasury.

Reinsurance Contribution Amounts

The reinsurance program’s fees are based on a national contribution rate, which HHS announces annually. For 2014, the annual contribution rate is **\$63 per enrollee per year**, or \$5.25 per month. For 2015, the annual contribution rate will be **\$44 per enrollee per year**, or about \$3.67 per month.

Several methods are available to determine the number of covered lives under a health plan:

- The Actual Count Method;
- The Snapshot Count Method;
- The Snapshot Factor Method;
- The Member Months or State Form Method; and
- The Form 5500 Method.

The permitted counting method depends on whether the contributing entity is a health insurance issuer or a self-insured group health plan, and whether, in the case of a group health plan that is a contributing entity, the plan offers more than one coverage option.

The Collection Process

A contributing entity can complete all of the required steps (that is, registration, submission of annual enrollment count and remittance of contributions) on www.pay.gov. Using a [contribution form](#), entities will provide basic company and contact information and the annual enrollment count for the applicable benefit year. The contribution form became available via www.pay.gov on **Oct. 24, 2014**.

The form will auto-calculate the contribution amounts. To complete the submission, entities will also submit payment information and schedule a payment date for the contributions. Supporting documentation must also be submitted through www.pay.gov with the contribution form.



More Information

HHS offers training for the pay.gov collection process. To receive notices from HHS regarding upcoming training and to review training resources, register on www.regtap.info.

HHS also provided an [Annual Enrollment and Contributions Submission Form Manual](#), which provides step-by-step instructions for completing and submitting the contribution form and supporting documentation, details on key elements and business concepts, and resources to further assist the contributing entity. A [Supporting Documentation Job Aid Manual](#) is also available to help contributing entities create the supporting documentation.

