THE TRANSITIONAL REINSURANCE PROGRAM: OVERVIEW OF POLICY AND OPERATIONS FOR REINSURANCE CONTRIBUTIONS

June 30, 2014

Payment Policy & Financial Management Group,
Division of Reinsurance Operations Training Series

WWW.REGTAP.INFO

Session Guidelines

- This is a sixty minute webinar session.
- For questions regarding content, please submit inquiries to REGTAP at https://www.REGTAP.info/.
- For questions regarding logistics and registration, please contact the Registrar at: (800) 257-9520.

Purpose & Objectives

- Inform participants about the transitional reinsurance program
- Share information on the tools that will support the reinsurance contributions process
- Inform participants about future webinars related to reinsurance contributions

Intended Audience

- Health Insurance Issuers
- Self-insured Group Health Plans
- Third Party Administrators (TPAs)
- Administrative Services-Only (ASO) Contractors

Overview of the Transitional Reinsurance Program

- A three-year program established by Section 1341 of the Affordable Care Act (ACA) to help stabilize premiums in the individual market
- Contributions are required for the 2014, 2015 and 2016 benefit years
- Funded by contributions collected from health insurance issuers and self-insured group health plans to cover costs for high-cost individuals enrolled in non-grandfathered individual market plans

Contributing Entities

- Contributing entities are required to make contributions to fund the Transitional Reinsurance Program
- Contributing entities generally include:
  - Health Insurance Issuers
  - Self-insured Group Health Plans*
- Although a contributing entity is responsible for the reinsurance contribution, it may use a TPA or ASO contractor to submit the plan's enrollment count and transfer its contributions to HHS

**Note: The criteria for self-insured group health plans to be considered contributing entities changes for the 2015 and 2016 benefit year*

2014 Contribution Rate

- Section 1341 of the Affordable Care Act specifies the collection of reinsurance contributions for the 2014 benefit year as $10 billion for the reinsurance payment pool, $2 billion for the General Fund of the U.S. Treasury, as well as permits the collection of additional amounts for reinsurance administrative expenses
  - As finalized in the 2014 Payment Notice [78 FR 15410], the amount to be collected for reinsurance administrative expenses for 2014 is $20.3 million
- The reinsurance contribution rate was finalized in the 2014 Payment Notice at $63.00 per covered life for the 2014 benefit year

Calculating Contribution Amounts

- Contribution amounts are calculated by multiplying a contributing entity's annual enrollment count by the annual per covered life contribution rate
  - 2014 annual contribution amount = (2014 annual enrollment count) x ($63.00)
- Various methods can be used to determine the annual enrollment count [See 45 CFR 153.405(d) through (g)]
  - The applicable counting method depends on (1) whether the contributing entity is a health insurance issuer or a self-insured group health plan; and (2) whether, in the case of a group health plan that is a contributing entity, the plan offers more than one coverage option

Counting Methods for Calculating an Annual Enrollment Count

Counting Method*	Health Insurance Issuers	Self-insured Group Health Plans
Actual Count	✓	✓
Snapshot Count	✓	✓
Snapshot Factor		✓
Member Months or State Form	✓	
Form 5500		✓

*See 45 CFR 153.405(d) through (g) for a description of each counting method

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The Contribution Submission Process

- HHS is implementing a streamlined approach to complete the contributions process through Pay.gov
- Pay.gov offers a simplified method for contributing entities to register, submit their annual enrollment count, be notified of the contribution amount owed and remit contributions
  - Pay.gov is a secure, web-based application owned by the Federal Government
  - Pay.gov allows external parties to submit forms online and make online payments to government agencies

The Contribution Submission Process (continued)

To successfully complete the reinsurance contribution process, contributing entities must:

- Register on Pay.gov
- Access the "**ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form**"
  - Complete the Form (which includes entering the annual enrollment count)
  - Upload supporting documentation
- Schedule payment for calculated reinsurance contributions on the payment page
  - There are two separate deadlines for submitting portions of the full annual reinsurance contribution amount

The Contribution Submission Process (continued)

- The "**ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form**" on Pay.gov, requires the following:
  - Basic company and contact information
  - Annual enrollment count
  - Upload supporting documentation (specific information on the annual enrollment count for each contributing entity represented on the form)
  - Payment information and payment date
- Form will auto-calculate the contribution amount
- Form availability on Pay.gov will be announced at a later date

Key Deadlines for the 2014 Benefit Year

Date	Activity	Contribution Amount
No later than November 15, 2014	Submit Annual Enrollment Count	
No later than January 15, 2015	Remit First Contribution Amount	$52.50 per covered life
Fourth Quarter of 2015	Remit Second Contribution Amount	$10.50 per covered life
	Total	$63.00 per covered life

What can you do…

- **NOW**
  - Review your REGTAP emails for updates
  - Submit questions via REGTAP using “Submit an Inquiry” and note the “Reinsurance” Program in your question text
  - Register on Pay.gov
  - Monitor the CCIIO web page
  - Review counting methods set forth in 45 CFR 153.405(d) through (g)
- **LATER**
  - Attend future webinars
  - Complete the reinsurance contributions process

Upcoming Webinars

Topic	Tentative Date
Contributing Entities and Counting Methods	July 14 and July 18, 2014 2:00 – 3:30 p.m. ET

Additional webinars and user groups will also be held this summer through November 2014.

Questions?

To submit questions by phone:

- ❑ dial ‘14’ on your phone’s keypad
- ❑ dial ‘13’ to exit the phone queue

To submit questions by webinar:

- ❑ type your question in the text box under the ‘QA’ tab

Resources

Regulatory References

This list of regulatory references offers additional information and details on the transitional reinsurance program.

- Standards Related to Reinsurance, Risk Corridors and Risk Adjustment (77 FR 17220) provided a regulatory framework
  - http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf
- HHS Notice of Benefit and Payment Parameters for 2014 (78 FR 15410)
  - http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf
- Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards (78 FR 65046) established oversight standards
  - http://www.gpo.gov/fdsys/pkg/FR-2013-10-30/pdf/2013-25326.pdf
- HHS Notice of Benefit and Payment Parameters for 2015 (78 FR 13744) provided a split collection process
  - http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf
- Exchange and Insurance Market Standards for 2015 and Beyond (79 FR 30240)
  - http://www.gpo.gov/fdsys/pkg/FR-2014-05-27/pdf/2014-11657.pdf

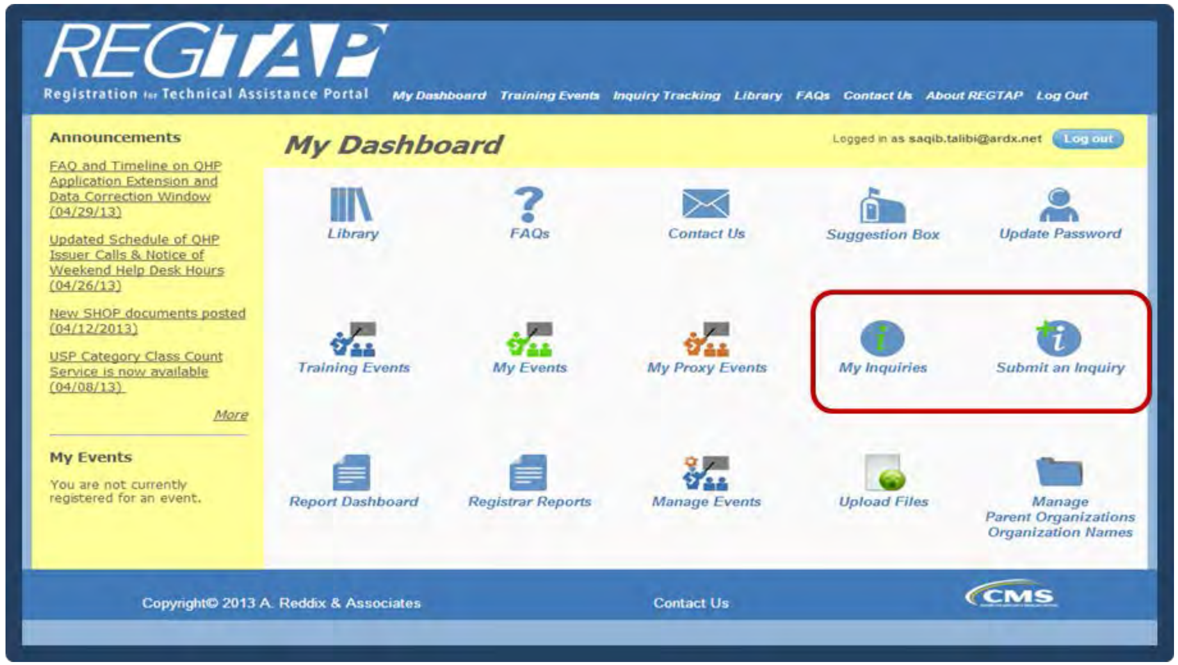
Resources

Resource	Link/Contact Information
U.S. Department of Health & Human Services	http://www.hhs.gov/
Centers for Medicare & Medicaid Services (CMS)	http://www.cms.gov/
The Center for Consumer Information & Insurance Oversight (CCIIO) web page	http://www.cms.gov/cciio
Registration for Technical Assistance Portal (REGTAP) - presentations, FAQs	https://www.REGTAP.info
Registration and Form on Pay.gov	https://pay.gov/paygov/

Inquiry Tracking and Management System (ITMS)

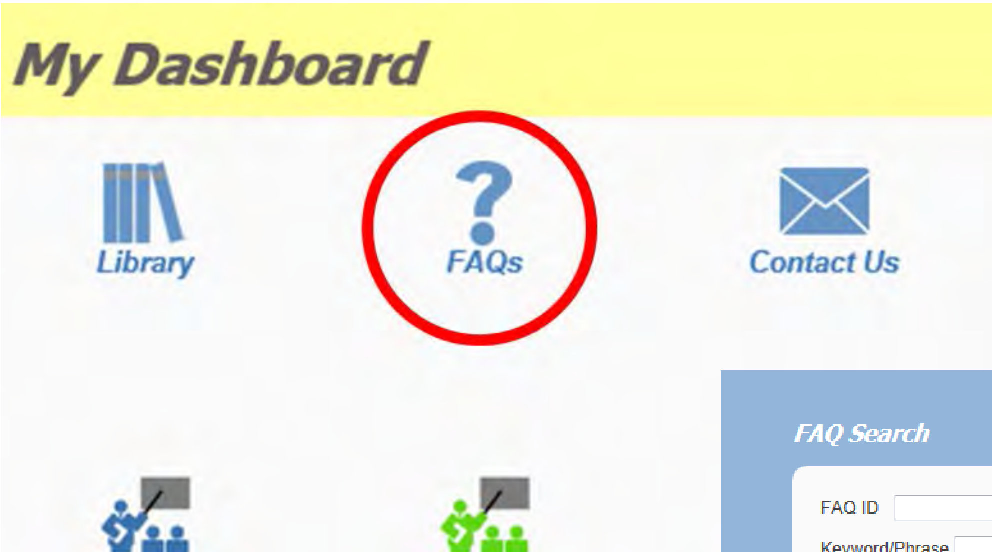
ITMS is available at http://www.REGTAP.info

Users can submit questions after the User Group by selecting "Submit an Inquiry" from My Dashboard.

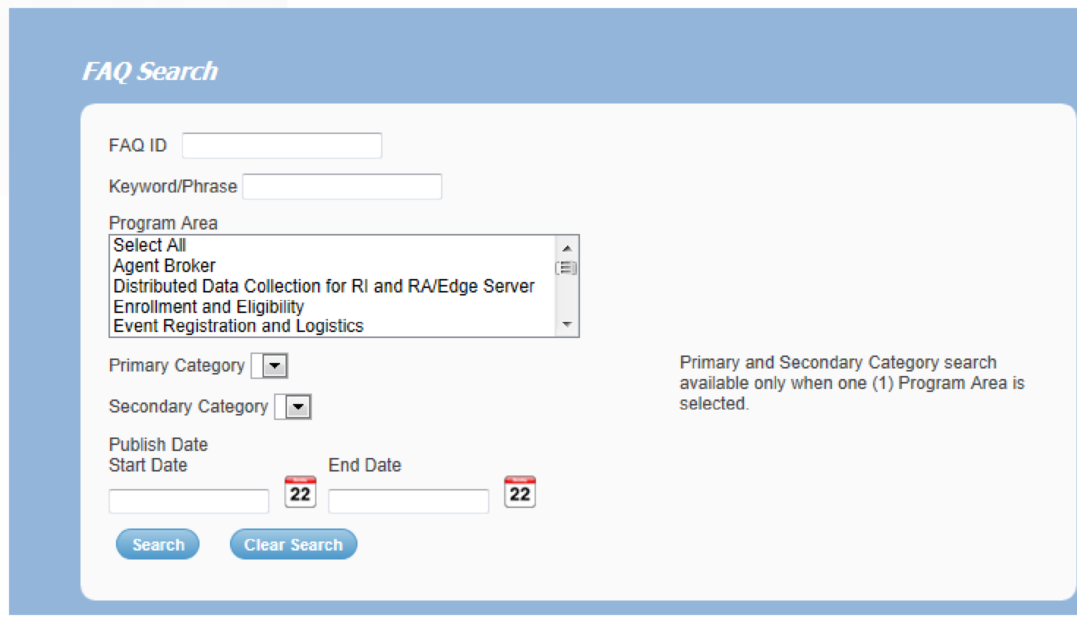


Note: Enter only one (1) question per submission.

FAQ Database on REGTAP



The FAQ Database allows users to search FAQs by FAQ ID, Keyword/Phrase, Program Area, Primary and Secondary categories and Publish Date.



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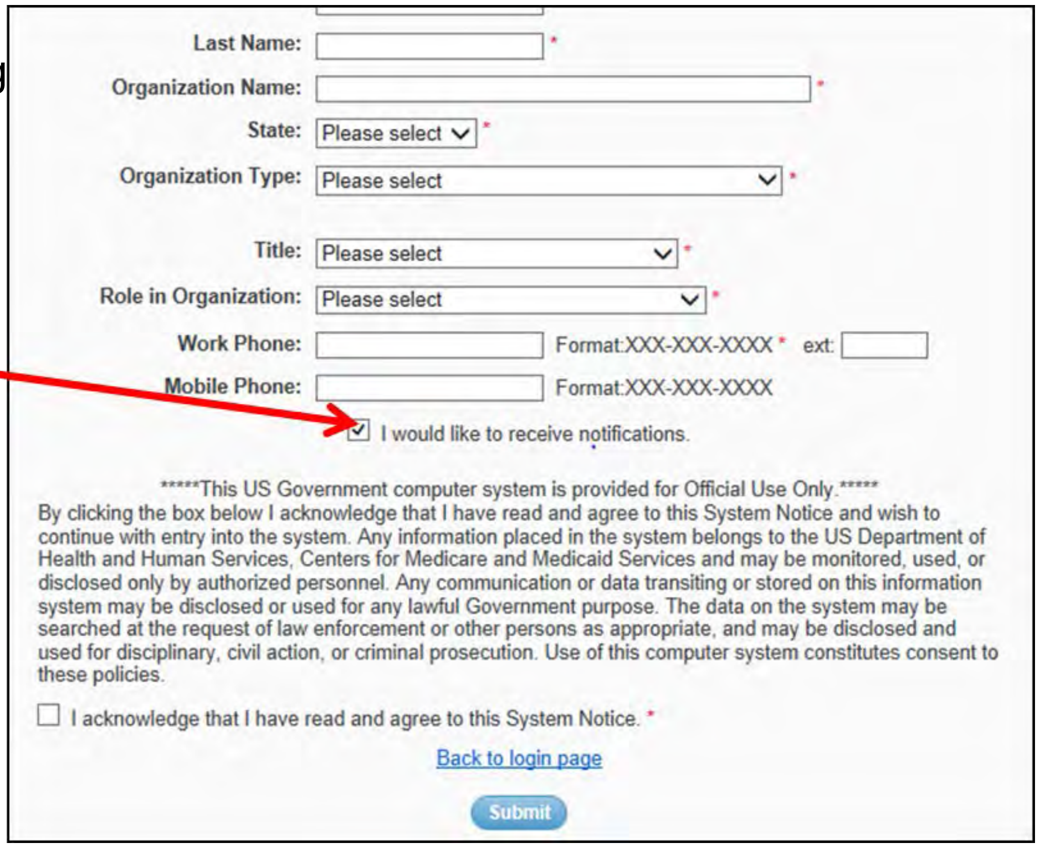

Last Name: *

Organization Name: *

State: Please select *

Organization Type: Please select *

Title: Please select *

Role in Organization: Please select *

Work Phone: Format:XXX-XXX-XXXX * ext:

Mobile Phone: Format:XXX-XXX-XXXX

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Submit

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Closing Remarks