



Checklist for Reporting and Paying the Transitional Reinsurance Fee

The November 15th deadline for submitting the annual enrollment count and scheduling the contribution payments is close at hand. As a follow-up to our Health Reform Bulletin (see [HRB 103 - Completing the Transitional Reinsurance Fee Form](#), 10/28/14), below is a quick overview followed by a checklist of steps to be taken to ensure the relevant information is provided to the government for purposes of reporting and paying the transitional reinsurance contributions.

What is the transitional reinsurance fee?

The Affordable Care Act (ACA) imposes a transitional reinsurance fee, the goal of which is to help stabilize premiums in the individual market due to enrollment of higher risk individuals in the marketplace beginning in 2014. This provision imposes an annual reporting obligation together with the collection of fees by certain plan sponsors and insurers.

When is the first Report due?

For the first year of compliance, the transitional reinsurance form must be completed, together with the annual enrollment count, and submitted no later than November 15, 2014 (note: since this date falls on a Saturday, the deadline has changed to November 17, 2014).

Who files the Report and pays the fees?

Plan sponsors of self-funded medical plans and insurers of fully insured plans are subject to the reporting requirement and payment of fees over a three year period (2014 through 2016).

What is the cost impact?

For 2014, the fee is \$5.25 per member per month. This equates to \$63 per member per year. A *member* is defined as any employee, spouse, dependent, retiree or COBRA participant covered by the medical plan in 2014.

How is the amount of fee calculated?

For self-funded plans, there are 4 options for determining the average member count: actual count, snapshot count, snapshot factor or Form 5500. For a quick review of these methodologies and counting examples, refer to the [Examples of Counting Methods for Contributing Entities](#).

When is the payment due?

There are two payment options. A plan sponsor or insurer can pay the entire or first installment by January 15, 2015. Or, the payment can be split into two payments – the first installment due by January 15, 2015; the second installment due by November 15, 2015.

Regardless of the payment option selected, you must complete the reporting form and schedule your payments no later than November 15, 2014 (for 2014, by Monday, November 17th).



The government provides step-by-step user manuals to assist in this process. Entities required to file the transitional reinsurance form and related support documentation should review and refer to these two manuals prior to beginning the process, as well as during the filing process:

- ❑ [Annual Enrollment and Contributions Submission Form Manual](#)
- ❑ [Supporting Documentation Job Aid Manual](#)

Steps for submitting annual enrollment and contributions

Register on <https://www.pay.gov> to create an account (if not already registered with the pay.gov website). Refer to Section 5 of the [Form Manual](#) relating to Registration process.

Completing the Form

Once registered with pay.gov, access and complete the “ACA Transitional Reinsurance Program Annual Enrollment and Contribution Submission Form”. From the pay.gov homepage, type “ACA Transitional Reinsurance Program Annual Enrollment Contributions Submission” in the search box at the top of the page. On the next screen, click on the maroon button, “Continue to the Form” that appears below the name of the form.

Refer to Section 6 of the [Form Manual](#) for details and descriptions relating to accessing the form, entering information about the reporting entity, selecting the type of payment and benefit year, entering gross annual enrollment count, completing the acknowledgement statement and authorizing official information, uploading the support documentation, and scheduling and submitting a contribution payment.

Tips

- With regard to payment information (e.g. payment date, banking information, etc.), you’ll need to have the following information on hand for this step: payment date, account holder name, checking or savings account type, bank routing number and bank account number.
- If using two payments to pay the fee, you’ll need to duplicate your Submission Form in order to schedule the second payment. You must schedule both payments when completing your filing.
- Contact your bank to create company ID’s (Agency Location Code or the ALC+2 value) for automatic debits, as they may be blocked by your bank if you do not complete this step. For the reinsurance contribution submission process, the ALC+2 value is 7505008015
- If you receive an error email asking you to cancel payment and resubmit your form, you must:
 - ◆ Cancel any scheduled payments
 - ◆ Locate your submission form associated with the tracking number you are receiving the error email on
 - ◆ Do not open the form, but click on the button, Duplicate FormFollow the steps to complete the form, upload Supporting Documentation, then re-enter the payment date and banking information before re-submitting the completed form.

Completing the Supporting Documentation (“Job Aid”)

During the Form completion process, you will need to upload documentation that supports the enrollment count provided on the Form. Refer to the [Supporting Documentation Job Aid Manual](#) and related [Job Aid](#) to create the Supporting Documentation to the Form. The Job Aid is an MS



Excel workbook that allows users to enter, validate and convert the entity's information into a Comma Separated Value (CSV) file format, which is the only type of formatted file that can be used.

Refer to Section 3 of the [Job Aid Manual](#) for instructions on how to complete the Job Aid. Information required to be provided includes both the reporting entity's and contributing entity's identifying information, setting user controls, saving the document and checking the data entry status, and validating and creating the file to upload as the supporting documentation to the Form.

Tips

- Review the [Supporting Documentation File Layout Requirements](#) relating to specific format, file size and use of certain text characters.
- Review Section 2 of the [Job Aid Manual](#) relating to macros, if applicable
- Once you create your CSV file, you should save it and then open it (right click on the file and use *Open With*) with Notepad or Wordpad to ensure that it meets the requirements (commas after each area, at least 5 digits for zip code, count equals digits plus decimal and two digits after) and make any changes needed and then re-save the file before you upload it.

Additional Tips

- Keep all supporting documentation on how you arrived at the enrollment count for up to 10 years. This information may be required during an audit or upon request by the government.
- REGTAP has some FAQs on their website relating to reinsurance contributions. Of particular note:
 - ◆ Q6440 lists specific codes for identifying business entity types.
 - ◆ Qs 3337, 3345 and 6438 address counting methods if a plan converts from insured to self-funded or vice versa during course of benefit year (generally, the first nine months of calendar year). As a general note in these instances, the self-insured plan sponsor would only pay reinsurance contributions for the portion of the year the plan is self-funded.

Resources:

- ❑ **Registration for Technical Assistance Portal "REGTAP"** (<https://www.REGTAP.info>). This site requires a user name/password for accessing the site. Once registered, click on Library icon, then from the "Filter by" search box, use the drop down list and scroll down to "Reinsurance Contributions". At this point, you'll note the various presentation slides and user manuals available for viewing or downloading. You can also access FAQs specifically relating to reinsurance contributions, as well as set up to receive periodic updates and communications, and sign up for training events.
- ❑ **CMS' Center for Consumer Information & Insurance Oversight webpage on Reinsurance Contributions** (<http://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Reinsurance-Contributions.html>). This website provides educational materials relating to the form submission process, user manuals, supporting job aid information, and operational guidance.