

# ***THE GROUP BENEFIT NEWS BULLETIN***

## **UPDATE**

### **FEDS Provide Additional Information Regarding Transitional Reinsurance Fee**

The Federal Government recently provided additional information regarding the Transitional Reinsurance Fee which it will begin collecting later this year. The FEDS have setup a “one-stop shop” at [Pay.gov](http://Pay.gov) for those who are responsible for filing and paying the Transitional Reinsurance Fee. At this website, you will be able to submit your count and setup your payment of the fee.

**What should you do now:**

- 1) Register at [Pay.gov](http://Pay.gov)
- 2) Access the **Transitional Form to be used for count Submittal** (CMS has indicated the form will be available in the coming weeks)
- 3) **Setup your schedule of payment.** (The FEDS have given an option to either pay all of the fee at once or you may split pay by paying the associated amounts by the corresponding deadlines in the chart below.)

**Background:**

Requires states to establish a non-profit reinsurance entity that collects payments from insurers and third party administrators on behalf of group health plans. The program then pays insurers in the individual market that cover high risk individuals. Requires the Department of Health and Human Services (HHS) to establish standards for the determination of high-risk individuals, a formula for payment amounts, and the contributions required of insurers, which must total \$25 billion over the three years.

The fee will be assessed on a per capita basis for both fully insured and self-funded members. For 2014, the fee has been set at \$63 per covered life. The fee is established as a temporary fee for years 2014 to 2016. The fee applies to both fully insured and self-funded business. For fully insured plans, insurers will pay the fee. For self-funded plans, the employer is responsible for funding the fee, but insurers acting as the TPA, may remit the amounts to the government on behalf of the group health plan. For anyone who switched from Fully Insured to Self Funded and visa versa, you will be responsible for the proportionate share of the fee while you were Self Funded. The same methods in determining how to count those covered will be those previously allowed under the guidance issued to implement the assessments for the Patient-Centered Outcomes Research Institute program. Data used to generate counts must be maintained for 10 years.

**Key Deadlines For 2014:**

<u>Date</u>	<u>Requirement</u>	<u>Contribution Amount</u>
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

As always, TBPG will continue to monitor all updates and keep you informed of any pertinent information. If you have any questions, please contact your TBPG representative.

The Benefit Planning Group  
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