

# Module 1: Transitional Reinsurance Program Contributions Overview for 2015 Benefit Year

**August 3, 5, & 10, 2015**



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

# Session Guidelines

- This is a 90-minute webinar session
- For questions regarding content, please submit inquiries to:  
[reinsurancecontributions@cms.hhs.gov](mailto:reinsurancecontributions@cms.hhs.gov)
- For questions regarding logistics and registration, please contact the Registrar at (800) 257-9520.

# Purpose

- Inform participants about the Transitional Reinsurance Program
- Review the processes and procedures to make reinsurance contributions for the 2015 benefit year – including updates and changes for 2015
- Identify key reinsurance contributions dates for 2015 benefit year
- Inform participants about future training and next steps

# Agenda

- Overview of the Transitional RI Program
- 2015 Contributing Entity Requirements
- 2015 Contribution Rate
- 2015 Key Deadlines
- 2015 Submission Process Overview
- 2015 Updates and Next Steps

# Intended Audience

- Health Insurance Issuers
- Plan Sponsors
- Third Party Administrators (TPAs)
- Administrative Services-Only (ASO) Contractors

# Transitional Reinsurance Program Overview

The Transitional Reinsurance Program is:

- A temporary 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.
- Contributions from Contributing Entities are used for reinsurance payments to issuers of non-grandfathered reinsurance-eligible individual market plans, the administrative costs of operating the reinsurance program, and the General Fund of the U.S. Treasury.

# **Who is Required to Make Reinsurance Contributions and for what Covered Lives?**

# Who is Required to Make Reinsurance Contributions for the 2015 Benefit Year?

## Contributing Entity generally includes:

- A health insurance issuer; or
- A self-insured group health plan (including a group health plan that is partially self-insured and partially insured, where the health insurance coverage does not constitute major medical coverage) that uses a TPA in connection with claims processing or adjudication (including the management of internal appeals) or plan enrollment for services other than for pharmacy benefits or excepted benefits within the meaning of section 2791(c) of the Public Health Service (PHS) Act



# Self-Insured Self-Administered Exemption

- For the 2015 and 2016 benefit years, contributions are not required from a self-insured group health plan that **does not** use a TPA in connection with claims processing or claims adjudication (including the management of internal appeals) or plan enrollment.
- However, a self-insured group health plan is permitted to use an unrelated third party for the following without losing its self-administered status:
  - *De minimis* administrative services for medical benefits (5% or less)
  - Leasing of provider networks and related services

# Contributions Are Generally Required For...

- Major medical coverage that is part of a commercial book of business
- For the purpose of reinsurance contributions, “major medical coverage” is defined in 45 CFR 153.20 as:
  - A catastrophic plan, an individual or a small group market plan subject to the actuarial value requirements under 45 CFR 156.140 (<http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2015-av-calculator-final.xlsx>); or
  - Health coverage for a broad range of services and treatments provided in various settings that provides minimum value as defined in 45 CFR 156.145 (<https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/mv-calculator-final-4-11-2013.xlsx>)

# Contributions Are NOT Required For...

## The following types of plans or coverage:

- Plans consisting solely of excepted benefits as defined under section 2791(C) of the PHS Act
- Medicare
- Medicaid
- Children's Health Insurance Program (CHIP)
- Federal or State high-risk pool
- Basic Health Plan (BHP) coverage offered by issuers under contract with a State as described in section 1331 of the Affordable Care Act
- A Health Reimbursement Arrangement (HRA) within the meaning of IRS Notice 2002-45 (2002-2 CB 93) or any subsequent applicable guidance that is integrated with a self-insured group health plan or health insurance coverage
- Health savings account (HSA) within the meaning of section 223(d) of the Internal Revenue Code (IRC)
- Health flexible spending arrangement (FSA) within the meaning of section 125 of the IRC
- Employee assistance plan, disease management program, or wellness program that does not provide major medical coverage

# Contributions Are NOT Required

## For....(continued)

### The following types of plans or coverage:

- Stop-loss policy or indemnity reinsurance policy
- TRICARE and other military health benefits for active or retired uniformed service personnel
- Plans provided by an Indian Tribe to Tribal members and their spouses and dependents (and other persons of Indian decent closely affiliated with the Tribe), in the capacity of the Tribal members as Tribal members (not in a capacity as current or former employees of the Tribe)
- Health programs operated under the authority of the Indian Health Service
- Plans consisting solely of prescription drug benefits

# Expatriate Health Coverage, Medicare Secondary Payor Coverage, and Territories

Type	Policy
<b>Expatriate Health Coverage*</b>	<p>A Contributing Entity is not required to make reinsurance contributions for lives covered by expatriate health coverage, as defined by the Secretary, or for the 2015 and 2016 benefit years only, is a self-insured group health plan with respect to which enrollment is limited to participants who reside outside of their home country for at least 6 months of the plan year, and any covered dependents [45 CFR 153.400(a)(1)(iii)].</p> <p>*HHS, in conjunction with U.S. Departments of Labor and Treasury, anticipates issuing future guidance on expatriate plans, to implement the Expatriate Health Coverage Clarification Act of 2014</p>
<b>Medicare Secondary Payor</b>	<p>A Contributing Entity is not required to make reinsurance contributions for lives covered by its self-insured group health plans and/or employer-sponsored health insurance coverage to the extent that such coverage applies to individuals with respect to which benefits under Title XVIII of the Social Security Act (Medicare) are primary under the Medicare Secondary Payor rules [45 CFR 153.400(a)(1)(iv)].</p>
<b>Territories</b>	<p>Reinsurance contributions are not required to the extent such plan or coverage applies to individuals with primary residence in a territory that does not operate the transitional reinsurance program [45 CFR 153.400(a)(1)(v)].</p>

# Supplemental or Secondary Coverage

Contributions are generally required for major medical coverage that is part of a commercial book of business but are not required in the case of employer-provided group health coverage if:

- Such coverage applies to individuals with individual market health insurance coverage for which reinsurance contributions are required [45 CFR 153.400(a)(1)(vi)(A)]
- Such coverage is supplemental or secondary to group health coverage for which reinsurance contributions must be made for the same covered lives [45 CFR 153.400(a)(1)(vi)(B)]

# Supplemental or Secondary Coverage...

(continued)

- If it is not clear from the terms of the health plans which group health plan is supplemental, in keeping with 45 CFR 153.400(a)(3), the group health plan that offers the greater portion of inpatient hospitalization benefits is deemed the primary health plan.
- If it is not clear from the terms of the health plans which group health plan is primary and which is secondary, we would defer to the arrangements on primary and secondary liability set forth by the respective plan sponsors, in accordance with applicable State coordination of benefit laws and regulations.
  - We would hold a plan sponsor harmless from non-compliance actions for failure to pay reinsurance contributions to the extent the sponsor relied in good faith upon a **written representation** by the other sponsor that the other sponsor's coverage has primary liability for claims for particular covered lives (and is responsible for making reinsurance contributions with respect to those covered lives).

# What is the 2015 Uniform Reinsurance Contribution Rate?



# 2015 Uniform Contribution Rate

- Section 1341 of the ACA specifies the collection of contributions for the 2015 benefit year as \$6 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.
- The Uniform Reinsurance Contribution Rate for benefit year 2015 was finalized in the 2015 Payment Notice at **\$44.00 per covered life**.
- Contributions can be made in:
  - One (1) payment of \$44 per covered life (Combined Collection);

**OR**

  - Two (2) -part payment of \$33 per covered life (First Collection) and \$11 per covered life (Second Collection).

# Key Deadlines for 2015

Date	Activity	Contribution Amount
<b>To Make a Full Contribution in One (1) Payment (Combined Collection):</b>		
No later than November 16, 2015	Submit the 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form and <b>schedule payment</b>	
No later than January 15, 2016	Pay full contribution amount due (single payment)	\$44.00 per covered life
	<b>TOTAL</b>	<b>\$44.00</b>
<b>OR</b>		
<b>To Make a Two-part Contribution (First and Second Collection):</b>		
No later than November 16, 2015	Submit the 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form and <b>schedule payment</b> of the first collection, then duplicate the Form <b>and schedule payment</b> of the second collection	
No later than January 15, 2016	Pay first contribution amount due	\$33.00 per covered life
No later than November 15, 2016	Pay second contribution amount due	\$11.00 per covered life
	<b>TOTAL</b>	<b>\$44.00</b>

# How Do You Count Covered Lives?

# Calculating 2015 Contribution Amounts

- Contribution amounts are calculated by multiplying a Contributing Entity's annual enrollment count by the 2015 uniform contribution rate of \$44.00:

$$\text{2015 annual contribution amount} = \text{(2015 annual enrollment count)} \times \text{\$44.00}$$

- Various methods can be used to determine your annual enrollment count [See 45 CFR 153.405].
  - 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 (1) coverage option.

# Counting Methods for Calculating 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 for a description of each counting method

# Counting Methods – Future Training

- CMS will hold separate trainings on the permissible counting methods.
  - Module 2: The Transitional Reinsurance Program: Contributing Entities and Counting Methods
    - August 17, 2015
    - August 24, 2015
    - August 31, 2015
- Please register for these trainings through <https://www.REGTAP.info>

# How Do I Submit my Reinsurance Contributions?

# Contribution Submission Process

The Department of Health and Human Services (HHS) has implemented a streamlined approach to complete the contribution submission 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.



# Contribution Submission Process (continued)

- To successfully complete the RI contribution submission process, Contributing Entities must do the following:

Step	Action
1	Calculate the number of covered lives within major medical plans.
2	Register on Pay.gov or confirm password if previously registered for the 2014 Benefit Year.
3	Access the 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form, when available.
4	Complete the 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form (which includes providing Contributing Entity information when reporting for three (3) or less Contributing Entities and entering your annual enrollment count).
5	Upload Supporting Documentation only when reporting for <b>four (4) or more</b> Contributing Entities.
6	Schedule payment date for calculated contributions on the payment page.

# Contribution Submission Process (continued)

The 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form will be available on Pay.gov and requires the following:

- Basic company and contact information
- Annual enrollment count
- Upload of Supporting Documentation if reporting **four (4) or more Contributing Entities** (specific information on the annual enrollment count for each Contributing Entity represented on the Form)
- Payment information and scheduling of payment date(s)
  - The 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form will auto-calculate the contribution amount owed
  - 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form availability on Pay.gov will be announced at a later date

# Compliance Standards

Standard	Policy
<b>Acknowledgement</b>	On Pay.gov, each Contributing Entity (or TPA or ASO contractor on their behalf) will acknowledge that the information submitted on the ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form is accurate and complete.
<b>Maintenance of Records</b>	A Contributing Entity must maintain and make available, documents and records, whether paper, electronic, or in other media, sufficient to substantiate the enrollment count submitted pursuant to this section for a period of at least 10 years (See 45 CFR 153.405(h)).
<b>Audits</b>	HHS may audit a Contributing Entity to assess its compliance with the requirements of the Transitional Reinsurance Program ( See 45 CFR 153.405(i)).

# Updates and Next Steps

# Notable Updates for 2015

## Key Changes

### Definition of Contributing Entity

Self-insured, self-administered group health plans that do not use a TPA in connection with claims processing, or claims adjudication or plan enrollment are **NOT** required to make contributions.

### Benefit Year 2015 Uniform Contribution Amount

The uniform contribution amount for the 2015 benefit year is \$44.00 per covered life.

### Supporting Documentation

Only required for 2015 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form submissions with four (4) or more Contributing Entities

# Next Steps

- **NOW**

- Review REGTAP emails for updates.
- For questions regarding Contributions, please contact us at [reinsurancecontributions@cms.hhs.gov](mailto:reinsurancecontributions@cms.hhs.gov).
- Register on Pay.gov or confirm password if previously registered for the 2014 Benefit Year.
- Monitor the Center for Consumer Information and Insurance Oversight (CCIIO) web page.
- Review counting methods set forth in 45 CFR 153.405(d) through (g).

- **LATER**

- Attend future training.
- Complete the reinsurance contributions submission process.

# 2015 Reinsurance Contributions: Navigating Tools/Resources

Topic	Tentative Date
Module 2: The Transitional Reinsurance Program Contributing Entities and Counting Methods	August 17 August 24 August 31
Module 3: The Transitional Reinsurance Program Submission of Annual Enrollment and Contributions through Pay.gov	September 23 September 28 September 30

*Additional Webinars and User Groups will be held through November 2015.*

# 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

Resource	Link/Contact Information
Standards Related to Reinsurance, Risk Corridors and Risk Adjustment (77 FR 17220) provided a regulatory framework	<a href="http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf">http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf</a>
HHS Notice of Benefit and Payment Parameters for 2014 (78 FR 15410)	<a href="http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf</a>
Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards (78 FR 65046) established oversight standards	<a href="http://www.gpo.gov/fdsys/pkg/FR-2013-10-30/pdf/2013-25326.pdf">http://www.gpo.gov/fdsys/pkg/FR-2013-10-30/pdf/2013-25326.pdf</a>
HHS Notice of Benefit and Payment Parameters for 2015 (78 FR 13744)	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf</a>
Exchange and Insurance Market Standards for 2015 and Beyond (79 FR 30240)	<a href="http://www.gpo.gov/fdsys/pkg/FR-2014-05-27/pdf/2014-11657.pdf">http://www.gpo.gov/fdsys/pkg/FR-2014-05-27/pdf/2014-11657.pdf</a>
HHS Notice of Benefit and Payment Parameters for 2016 (80 FR 10750)	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-02-27/pdf/2015-03751.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-02-27/pdf/2015-03751.pdf</a>

# Resources

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

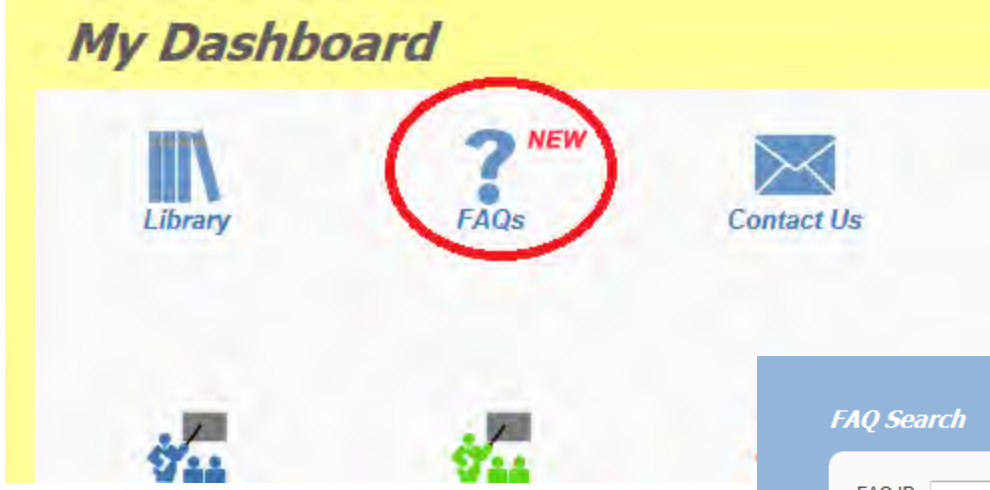
# Locating Documents in REGTAP

Stakeholders can access additional documents in the REGTAP Library at <https://www.REGTAP.info>.

Under Program Area, select 'Reinsurance Contributions'



# FAQ Database on REGTAP



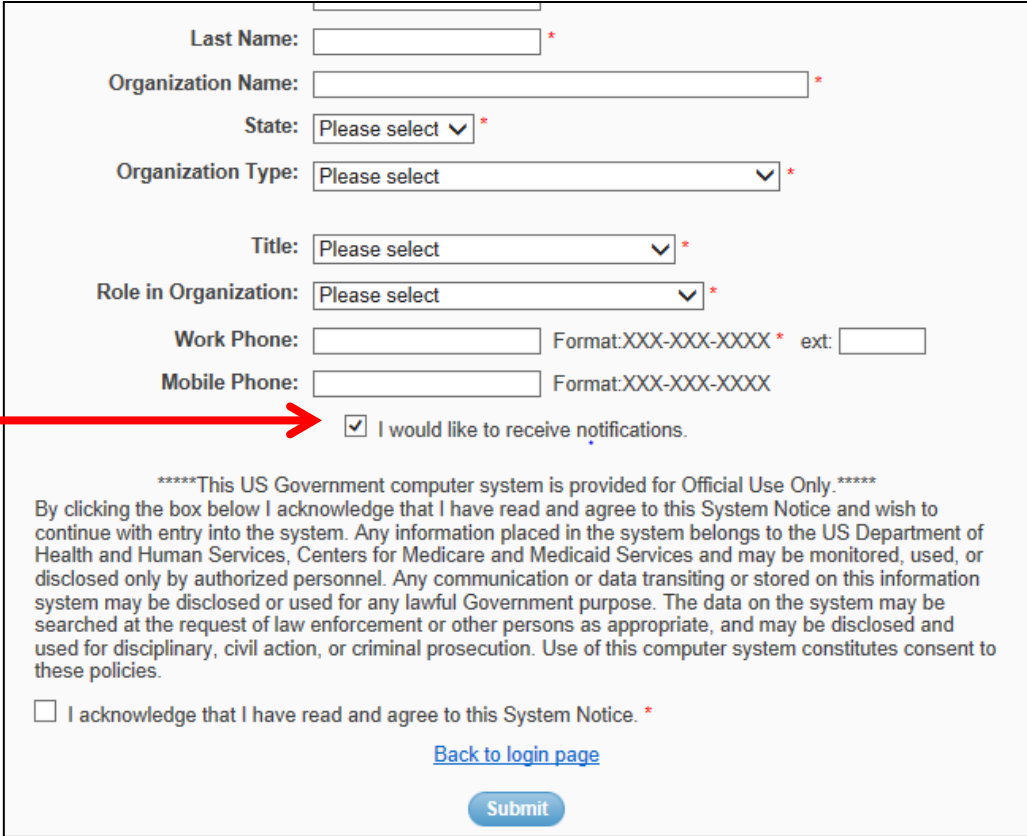
The FAQ Database allows users to search FAQs by FAQ ID, Keyword/Phrase, Program Area, Primary and Secondary categories and Publish Date.

FAQ Database is available at <http://www.REGTAP.info>



# Notifications Opt In/Opt Out

Users have the option to opt in or opt out of receiving notifications when first registering in REGTAP by checking or unchecking the box for “I would like to receive notifications.”



The screenshot shows a registration form with the following fields:

- Last Name: [text input] \*
- Organization Name: [text input] \*
- State: [Please select] \*
- Organization Type: [Please select] \*
- Title: [Please select] \*
- Role in Organization: [Please select] \*
- Work Phone: [text input] Format:XXX-XXX-XXXX \* ext: [text input]
- Mobile Phone: [text input] Format:XXX-XXX-XXXX
- I would like to receive notifications.

Below the form is a system notice:

\*\*\*\*\*This US Government computer system is provided for Official Use Only.\*\*\*\*\*  
By clicking the box below I acknowledge that I have read and agree to this System Notice and wish to continue with entry into the system. Any information placed in the system belongs to the US Department of Health and Human Services, Centers for Medicare and Medicaid Services and may be monitored, used, or disclosed only by authorized personnel. Any communication or data transiting or stored on this information system may be disclosed or used for any lawful Government purpose. The data on the system may be searched at the request of law enforcement or other persons as appropriate, and may be disclosed and used for disciplinary, civil action, or criminal prosecution. Use of this computer system constitutes consent to these policies.

I acknowledge that I have read and agree to this System Notice. \*

[Back to login page](#)

After initial registration, contact the Registrar at [registrar@REGTAP.info](mailto:registrar@REGTAP.info), call (800) 257-9520, or submit an inquiry to [www.REGTAP.info](http://www.REGTAP.info) to change notification preference.



# Closing Remarks