

# FRENKELBENEFITS COMPLIANCEUPDATE

## CMS Extends the Deadline to Report Membership Data for the Transitional Reinsurance Contribution

On Friday November 14<sup>th</sup> the Department of Health and Human Services' Centers for Medicare & Medicaid Services (CMS) announced an extension of the deadline for submission of plan membership data for the transitional reinsurance program (TRP). Employer/plan sponsors of self-funded plans were originally required to report membership by November 17<sup>th</sup>, 2014, but the filing deadline has now been extended to December 5<sup>th</sup>, 2014.

### Overview

The Affordable Care Act (ACA) creates the transitional reinsurance program to help stabilize the individual health insurance market. For three years (2014 – 2016) “contributing entities” are required to make reinsurance payments for ‘major medical coverage’ that provides minimum value as defined by the ACA. Health insurance carriers (Issuers) are responsible for making reinsurance contributions for fully insured plans. The plan sponsor (generally the employer) is responsible for making reinsurance contributions for self-funded plans. However, the plan sponsor is allowed to delegate the reporting and payment process to a third party.

Reinsurance contributions for 2014 are \$63 per covered life and are due in two installments. The first installment of \$52.50 per covered life is due by January 15, 2015. The balance of \$10.50 per covered life must be paid no later than November 15, 2015. Employers may choose to pay the entire contribution in a single payment by the first deadline. **Important Note: The payment deadline has not been changed by this announcement extending the date for filing the membership data.**

To determine the appropriate membership count, there are four methods to choose from – the actual count method, snapshot method, snapshot factor method, or the Form 5500 method. Payments are calculated by multiplying the average number of covered lives (based on one of these methods) by the contribution rate for the applicable year.

Contributing entities report the fee and schedule payments using the “ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form” on [www.pay.gov](http://www.pay.gov). The only payment method available is via an ACH debit. The payment arrangement and payment dates must be set up at the time the contributing entity reports the annual membership totals.

### Summary

While the extension is a welcome development, employers still have less than three weeks to complete the process. Since a data file with the appropriate form must be created prior to reporting membership, employers who have not yet completed the process should act quickly.

CMS has provided a webpage with TRP details at <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Reinsurance-Contributions.html>. This page also contains:

- A detailed 64 page CMS manual describing the process (which can also be found [here](#)).
- A manual to assist in creating the supporting documentation file.
- An MS Excel template “job aide” which can be used to create the supporting documentation file.

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