



Reinsurance Fee: Updates and Reminders

Overview

Throughout the summer, Cigna has been communicating about the Reinsurance Fee webinar training sessions held by the Centers for Medicare & Medicaid Services (CMS) and REGTAP. These training sessions are being held through November 2014, and Cigna's Reinsurance Fee team continues to gather all of the information learned from the sessions.

As a reminder, the Reinsurance Fee is one of several new fees intended to help fund implementation of the Patient Protection and Affordable Care Act (PPACA). The reinsurance fee on health plans totals \$25 billion, which will be collected over the three-year period from 2014 through 2016. The majority of the money will be used to fund a reinsurance program, which is intended to lessen the impact of adverse selection in the individual market. The fee applies to both insured and self-funded commercial major medical plans effective January 1, 2014.

As we wait to receive more guidance, Cigna is here to help remind you about upcoming compliance dates for the Reinsurance Fee along with the resources available to you while you prepare for these upcoming deadlines.

Key Dates to Remember

- Employers must report the number of covered lives to the Department of Health and Human Services (HHS) by **November 15, 2014**. This means that membership data must be uploaded into www.Pay.gov no later than November 15, 2014.
- The 2014 fee can be paid in one combined payment or two installments. The first installment of \$52.50 per covered life is due **no later than January 15, 2015**. The second installment of \$10.50 per covered life will be due by **November 15, 2015**.
- If an employer chooses the combined collection, the fee must be paid all at once, no later than January 15, 2015.
- Payment cannot be scheduled within 30 days of membership submission.

It's important to note that if employers want to make two separate payments instead of one combined payment, then they will have to submit the "ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form," along with its supporting documentation, when they schedule the first payment date. Employers would then duplicate the Form and go through the same process to schedule the second payment date.

Action for Self-Funded Employers

Self-funded employers should continue to review all emails for updates on CMS training sessions scheduled through November 2014. We urge our self-funded employers to attend these sessions or view the webinar presentations once they have been posted to the REGTAP library.

In order to sign up and receive notifications for REGTAP training sessions, self-funded employers can log on to www.REGTAP.info. Questions can also be submitted on the REGTAP site via the "Submit an Inquiry" feature. Be sure to note the "Reinsurance Program" in your question text.

Self-funded employers should also register on www.Pay.gov beginning this fall to become familiar with the site and complete the reinsurance contribution submission process. As a reminder, Pay.gov is a secure, web-based application where employers can report and submit the required membership data elements. Registration on Pay.gov is required in order to complete the reinsurance process.

Although the "ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form" is not yet available on Pay.gov, self-funded employers can begin the process of collecting the information needed to complete the Form and supporting documentation, along with its data elements such as Reporting Entity Legal Business Name and Reporting Entity Federal Tax Identification Number (TIN).

Self-funded employers should also begin to consult with their legal and benefit advisors to review the approved counting methods to choose what's right for their business.

Lastly, to ensure that self-funded employers have the funds available, they can begin to estimate the fee amount by multiplying an estimate of their average covered lives for 2014 by \$63 to get an approximation of the total fee they will need to pay.

Reinsurance Resources

We encourage you to visit the [Reinsurance Assessment Toolkit](#), which includes a [Fact Sheet](#) and [FAQ document](#) that addresses preparation and support for self-funded employers, among other components of the fee. Cigna will continually update these materials as the legislation evolves and more guidance is received.

Cigna is also planning another health care reform web meeting focusing on the Reinsurance Fee this fall. Look for an invitation in September.