

## CMS Announces 2016 Transitional Reinsurance Fee Submission Process

The deadlines for the 2016 transitional reinsurance fee are approaching. The process is largely unchanged from 2015. Enrollment counts for purposes of determining the 2016 reinsurance fee must be submitted by November 15. Also, the second contribution for the 2015 reinsurance fee must be made by November 15.

### Background

The Affordable Care Act's transitional reinsurance program was designed to help stabilize premiums in the individual market, both inside and outside the public marketplaces. Insurers and sponsors of self-insured group health plans must make contributions to the program for the 2014, 2015 and 2016 calendar years. The fees are \$63 per covered life for 2014, \$44 per covered life for 2015 and \$27 per covered life for 2016. Plan sponsors submit covered lives data and make payments through [pay.gov](http://pay.gov). The Centers for Medicare & Medicaid Services (CMS) released a [memo](#) on September 19 that announced the 2016 submission process. CMS also released an "[Annual Enrollment and Contributions Form Manual](#)" and a "[Quick Start Guide](#)."

### Enrollment Count for 2016 Submission Due November 15

CMS uses the annual enrollment count to calculate an entity's contribution amount due for the applicable year. Plan sponsors have a choice of four counting methods, which are unchanged from previous years. They may use different counting methods for their various plans and may also use a different counting method than used for past years. Under all alternatives, except the Form 5500 Method, the number of covered lives for 2016 will be determined based on the first nine months of the 2016 calendar year. (For more information on the various counting methods, see our [November 6, 2014](#) and [March 25, 2015](#) issues of *For Your Information*.)

For 2016, the enrollment count submission is due by Tuesday, November 15. Plan sponsors must use the "2016 ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form" on [pay.gov](http://pay.gov) to submit their enrollment count. The form will auto-calculate the contribution amount owed based on the 2016 rate of \$27 per covered life. The amount due may be paid in one payment, due by January 17, 2017, or in two, the first of which is due by January 17, 2017 and the second by November 15, 2017.

#### Counting Methods:

- Actual Count
- Snapshot Count
- Snapshot Factor
- Form 5500

## Key Deadlines

Date	Activity	Contribution Amount
No later than November 15, 2016	Submit 2016 enrollment count and schedule payments	N/A
No later than January 17, 2017	Remit first contribution amount for 2016 benefit year  Full contribution can be made in a single payment by this date	\$21.60/covered life \$27.00/covered life (if paying full contribution amount)
No later than November 15, 2017	Remit second contribution amount for 2016 benefit year	\$5.40/covered life

## Second 2015 Contribution Due by November 15

Plan sponsors had the option of paying the 2015 contribution in one payment or in two separate payments. For plan sponsors who chose to pay the 2015 contribution in two payments, the second payment of \$11 per covered life is due no later than November 15, 2016. The second payment date was already scheduled by plan sponsors with the submission of the 2015 enrollment count. The payment must be made using an Automated Clearing House (ACH) debit on [pay.gov](http://pay.gov). Plan sponsors should ensure that they have sufficient funds in their account for this payment and that the automatic ACH debit will not be blocked by the bank.

## In Closing

For purposes of paying the second 2015 contribution amount, plan sponsors should confirm that adequate funds will be in the payment account on the payment date. Also, for the 2016 contribution, once covered lives information is available through September 2016, plan sponsors will be able to determine their enrollment count and prepare the submission for 2016.

### Authors

Richard Stover, FSA, MAAA  
Kimberley Mitchell, JD

### Produced by the Knowledge Resource Center of Xerox HR Consulting

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive or email [fyi@xerox.com](mailto:fyi@xerox.com).

You are welcome to distribute *FYI*® publications in their entirety. To manage your subscriptions, or to sign up to receive our mailings, visit our [Subscription Center](#).

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.