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October 2, 2014

Transitional Reinsurance Program (TRP) Fee – Action Items for Self-Insured Plan Sponsors

The Transitional Reinsurance Program (TRP) fee is intended to repay insurance companies for a portion of the cost of covering high-risk individuals buying health insurance during the first three years of the health insurance Marketplace's existence — that is, 2014 through 2016. Entities responsible for TRP fee payments are known as “contributing entities” and include insurers (for fully-insured plans) and self-insured plan sponsors (for major medical self-insured plans). Contributing entities are required to report the number of covered individuals under the plan for the calendar year (not the plan year) to the Department of Health and Human Services (HHS) and pay the per-enrollee fee for each of these three years. For background information on the TRP contribution, please see our latest updates on this topic.

[Transitional Reinsurance Fee Updates](#)[Final Transitional Reinsurance Fee Rules](#)[Guidance for Making Transitional Reinsurance Contributions](#)

The Responsibility to Pay the TRP Fee Rests with the Self-Insured Plan Sponsor; NOT the TPA

While insurers are required to pay the TRP for fully-insured major medical plans, third party administrators (TPAs) *may* complete the process required for TRP payment submission and the payment on behalf of a self-insured health plan. However, it is important to note that the law does not obligate TPAs to complete the process required for TRP payment or remit the fee on behalf of a self-insured plan, and we understand many TPAs will not be providing this assistance. The obligation to pay the TRP fee (and complete any necessary steps to facilitate the payment) rests with the self-insured plan sponsor. Plan sponsors should discuss the TRP fee with their TPA to determine if the TPA will assist with any of the steps required to complete the TRP payment. Ultimately, the TRP process and payment is likely best handled by the sponsor's internal accounting and financial departments.

Governmental Resources Available

HHS has reported that a job aide will be provided at a future date to assist reporting entities with completing the TRP contribution process. HHS has been holding periodic webinars on the mechanics of the TRP fee and we anticipate that more sessions will be held regarding the TRP fee once the form to submit the TRP contribution is operational. Individuals interested in understanding more about the TRP fee and submission process may sign up on www.regtap.info to gain access to prior webcasts and other information HHS has already released related to the TRP contributions as well as receive information regarding upcoming training sessions that may be offered.

Next Steps for Self-Insured Plan Sponsors

Several steps must be taken to pay the TRP fee using the government payment site, www.pay.gov. Plans and issuers must use this site to register, complete a required contribution form (which automatically calculates the TRP fee due based on enrollment counts), and schedule TRP payments (through an ACH transaction) by November 15, 2014. The first installment is due no later than January 15, 2015.

Insurers and the sponsors of self-insured group health plans must act quickly to meet upcoming deadlines with respect to the TRP fees. Pay.gov is currently the only way to complete the TRP payment process, but the website is not currently able to accept any information related to the TRP contribution. HHS has noted that the website will be ready to accept TRP payment information in the Fall of 2014, but no exact date has been specified. Despite the fact that the website needed to remit TRP contributions cannot currently support the steps needed to pay the fee, the first deadline related to the TRP fee process, November 15, 2014, is approaching.

Since the obligation to pay the TRP contribution rests with the major medical self-insured plan sponsors, plan sponsors responsible for the TRP payment are encouraged to do the following in preparation to meet the TRP fee requirement.

1. Determine which major medical plans are subject to the TRP fee.
2. Communicate with the TPA of the major medical plan(s) to determine if the TPA will assist with the TRP payment process.
3. If the TPA will not assist with the TRP payment process, explore if and how the TPA may assist with annual enrollment information needed to calculate the amount the contributing entity is required to submit.
4. Decide which method will be used to calculate annual enrollment information.
5. Plans sponsors who will assume responsibility to complete the TRP process and pay the fee directly should identify the individual responsible for the TRP process and payment.
6. Determine if the fee will be paid one time in full by January 15, 2015 or if the fee will be paid in two installments.
7. Establish the date (prior to January 15, 2015) that the TRP fee will be deducted and determine which bank account will be used to pay the fee.

Should you have questions about this or any aspect of healthcare reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).

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