

# 2016 Reinsurance Contributions Information Guide

## Resources

Download and review all reference materials at:

- REGTAP: <https://www.regtap.info>
- ACA [Transitional Reinsurance Program's Reinsurance Contributions](#) webpage
- [Pay.gov](#) to access the 2016 ACA Transitional Reinsurance Program Annual Enrollment Contributions

## Overview

This document contains references and definitions for Contributing Entities, Third Party Administrators (TPAs), and Administrative Services Only (ASO) contractors regarding the Transitional Reinsurance Program Contribution Submission Process. When viewing as an electronic copy, you may select a topic page in Table 1 below to be directed to information regarding that topic within the document.

Table 1: Topics

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## Purpose

This document is intended to be geared toward Third Party Administrators (TPAs) and health insurance issuers with self-insured business where the Contributing Entity may want to file on their own. The topics listed in Table 1 will be reviewed in this document.

## 1 Introduction

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Section 1341 of the Affordable Care Act established a Transitional Reinsurance Program to stabilize premiums in the individual market both inside and outside of the Marketplaces. For the 2014, 2015, and 2016 Benefit (calendar) Years, the Transitional Reinsurance Program collects contributions from Contributing Entities to fund 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.

## 2 Uniform Contribution Rate for 2016

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Section 1341 of the Affordable Care Act specifies the collection of contributions for the 2016 benefit year as \$4 billion for the reinsurance payment pool, \$1 billion for the General Fund of the U.S. Treasury, and permits the collection of additional amounts for reinsurance administrative expenses. The Uniform Reinsurance Contribution Rate for 2016 was finalized in the 2016 Payment Notice at \$27.00 per covered life.

Payments may be made as:

- One payment of \$27.00 per covered life (combined collection); or
- Two payments of \$21.60 per covered life (first collection) and \$5.40 per covered life (second collection)

### 3 Key Deadlines for 2016

Figure 1 identifies key deadlines for 2016.

Figure 1: Key Deadlines for 2016

Date	Activity	Contribution Amount
<b>To Make a Full Contribution in One Payment (Combined Collection) for the 2016 BY:</b>		
File no later than November 15, 2016	Submit the Form and schedule payment	
Remit no later than January 17, 2017	Pay full contribution amount due (one payment)	\$27.00 per covered life
	<b>TOTAL</b>	<b>\$27.00</b>
<b>OR</b>		
<b>To Make a Full Contribution in Two Payments (First and Second Collection) for the 2016 BY:</b>		
File no later than November 15, 2016	Submit the Form and schedule payment of first collection contribution and duplicate the Form and schedule payment of second collection	
Remit no later than January 17, 2017	Pay first contribution amount due	\$21.60 per covered life
Remit no later than November 15, 2017	Pay second contribution amount due	\$5.40 per covered life
	<b>TOTAL</b>	<b>\$27.00</b>

### 4 Key Terms and Definitions

#### 4.1 Contributing Entity

For 2015 and 2016, Contributing Entities (45 CFR 153.20) are defined as health insurance issuers and self-insured group health plans (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 use a third party administrator in connection with claims processing or adjudication (including the management of internal appeals) or in connection with plan enrollment for services other than for pharmacy benefits or excepted benefits within the meaning of section 279(c) of the PHS Act. However, a self-insured group health plan that uses an unrelated third party to obtain provider network and related claim repricing services, or uses an unrelated third party for up to 5 percent of claims processing or adjudication or plan enrollment, will not be deemed to use a third party administrator based on either the number of transactions processed by the third party or the value of the claims processing and adjudication and plan enrollment services provided by the third party. A self-insured group health plan that is a Contributing Entity is responsible for reinsurance contributions although it may elect to use a TPA or ASO contractor for transfer of reinsurance contributions.



In 2015 and 2016, self-insured, self-administered group health plans that **do not** use a TPA in connection with claims processing, claims adjudication, and plan enrollment are not considered a Contributing Entity and therefore are not required to make contributions. Please see 45 CFR 153.20 and the HHS Notice of Benefit and Payment Parameters for 2016 (80 FR 10750) for more information regarding the exemption.

## 4.2 Reporting Entity

The Reporting Entity is the party completing the reinsurance contributions submission process. A Reporting Entity may be a Contributing Entity, TPA, ASO contractor, or any other party filing a reinsurance contribution on behalf of a Contributing Entity.

## 4.3 Benefit Year

As defined in 45 CFR 153.20, a calendar year for which a health plan provides coverage for health benefits. However, for reinsurance contributions purposes only, a benefit year is generally considered the first nine (9) months of the calendar year (that is, January through September).

## 4.4 2016 ACA Transitional Reinsurance Annual Enrollment and Contributions Submission Form

The 2016 ACA Transitional Reinsurance Annual Enrollment and Contributions Submission Form is referenced in this document as the “2016 Form” and in other resources as the “Form.” Use the 2016 Form to file the Annual Enrollment Count, upload Supporting Documentation, and schedule contribution payments. The 2016 Form will be available on <https://www.Pay.gov> on October 3, 2016.

## 4.5 2016 Transitional Reinsurance Program Supporting Documentation Job Aid

This is only required to be completed if reporting for four (4) or more contributing entities in a single 2016 Form. The 2016 Transitional Reinsurance Program Supporting Documentation Job Aid is also referred to as the “Job Aid.” The Job Aid supports Reporting Entities in the creation of the Supporting Documentation (required if reporting for four (4) or more Contributing Entities). The Job Aid is an MS Excel workbook that allows users to enter, validate, and convert Contributing Entity information into a Comma Separated Value (.CSV) file format.



For additional information regarding program-specific terms and definitions, see the 2016 Reinsurance Contributions Glossary of Terms on [REGTAP](#) and the [CCIIO website](#).

## 5 The Reinsurance Contributions Submission Process

Figure 2 illustrates an overview of the process for submitting reinsurance contributions.

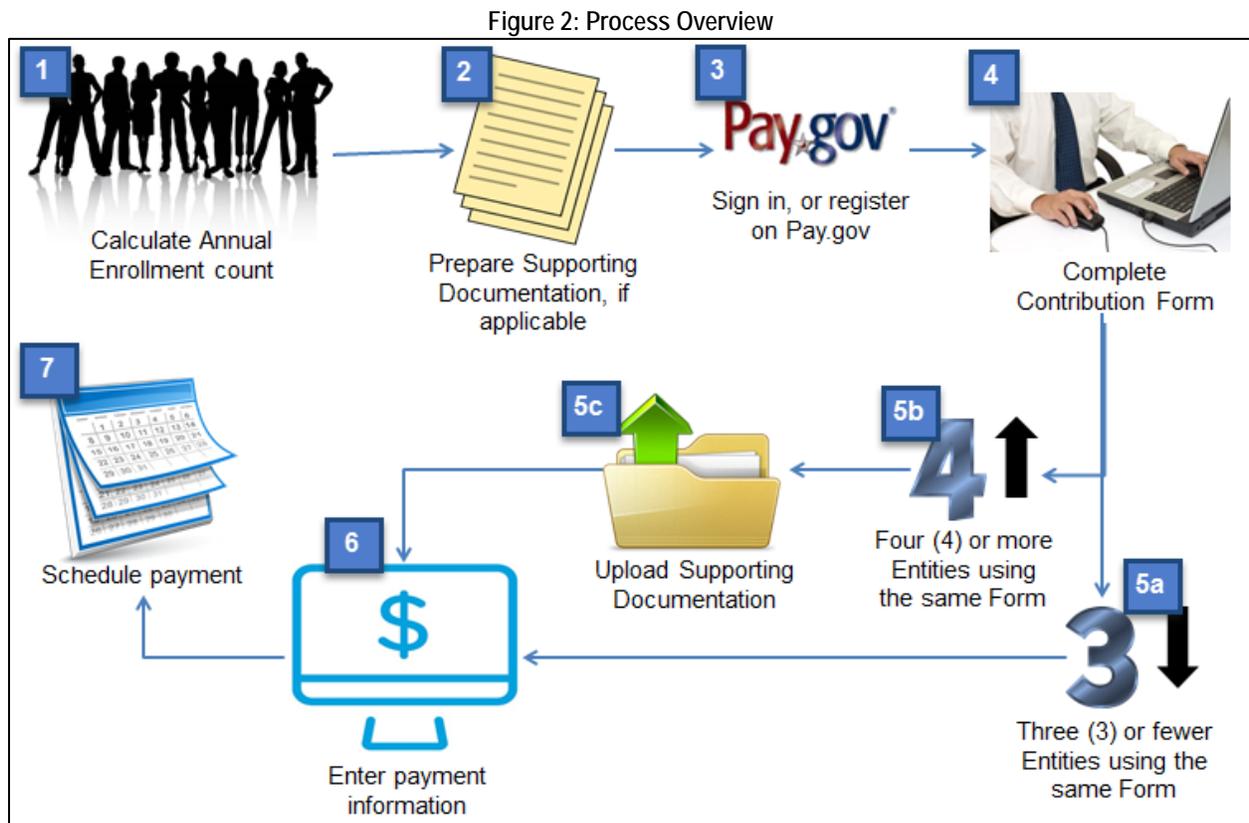


Table 2 describes the steps from Figure 2.

Table 2: Process Steps

Step	Action	Description
1	Calculate Annual Enrollment Count for Contributing Entities	Prior to signing in to complete the 2016 Form, a Contributing Entity, or Reporting Entity on their behalf, must calculate Annual Enrollment Count using one of the approved counting methods as stated in 45 CFR 153.405(d)-(g).

Step	Action	Description
2	Prepare Supporting Documentation if reporting for four (4) or more contributing entities using the same Form	If reporting for four (4) or more Contributing Entities on a single 2016 Form, Supporting Documentation is required and should be prepared in advance of completing the 2016 Form. If reporting for three (3) or fewer Contributing Entities on a single 2016 Form, Supporting Documentation is not required.
3	Log in or register on Pay.gov	A Reporting Entity will need to either log in to Pay.gov using the credentials created for the prior benefit year, or register on Pay.gov.
4	Complete the 2016 ACA Transitional Reinsurance Program Annual Enrollment Contributions Form (Form)	After logging in to Pay.gov, a Reporting Entity will locate the 2016 Form and complete all required information.
5a	Three (3) or fewer Contributing Entities	If reporting for three (3) or fewer Contributing Entities on a single 2016 Form, the Reporting Entity will not be required to upload Supporting Documentation.
5b	Four (4) or more Contributing Entities	If reporting for four (4) or more Contributing Entities on a single 2016 Form, Supporting Documentation is required.
5c	Upload Supporting Documentation, if reporting for four (4) or more Contributing Entities	If reporting for four (4) or more Contributing Entities on a single 2016 Form, the Reporting Entity will be directed to upload the Supporting Documentation (.CSV) file.
6	Enter payment information	Once all information has been entered into the 2016 Form and Supporting Documentation, if applicable, has been uploaded, the Reporting Entity will be prompted to complete payment information. You may only use one bank account per Form. If you are reporting for multiple Contributing Entities that want to use different bank accounts, you will need to complete multiple Forms.
7	Schedule payment	Payment must be scheduled within the regulatory due dates based on the payment type selected. Refer to Figure 1 for the key deadlines for each payment type.



For further information for the 2016 Form, see the [2016 Form Manual](#) and [Module 3: 2016 Reinsurance Contributions Form Completion webinar slides](#), [2016 Reinsurance Contributions Annual Enrollment and Contributions Submission Form Manual](#) or the [2016 Transitional Reinsurance Quick Start Guide on REGTAP](#) and the [CCIIO website](#).

## 6 Counting Methods

Contributing Entities must calculate their Annual Enrollment Counts for the purpose of the Transitional Reinsurance Program using one of the permitted counting methods. The 2016 Form will auto-calculate the contribution amount owed based on the 2016 uniform contribution rate of \$27 per reinsurance covered life.

In order to calculate the number of covered lives of reinsurance contribution enrollees for a benefit year, CMS set forth certain permitted counting methods in 45 CFR 153.405, as described in Table 3.

Table 3: Counting Methods

Counting Method	Description
<b>Actual Count</b>	The <b>Actual Count Method</b> requires a Contributing Entity to add the total number of lives (enrollees) covered on each day of the first nine (9) months of the benefit year and divide that total by the number of days (271 for the 2016 Benefit Year) in those nine (9) months.
<b>Snapshot Count</b>	The <b>Snapshot Count Method</b> requires a Contributing Entity to add the total number of covered lives of reinsurance contribution enrollees on any date (or more dates, if an equal number of dates are used for each quarter) during the same corresponding month in each of the first three quarters (e.g., March, June and September) of the benefit year, and divide that total by the number of dates on which a count was made. The date(s) used for the second and third quarters must fall within the <u>same week of the quarter</u> as the corresponding date(s) used for the first quarter.
<b>Snapshot Factor</b>	The <b>Snapshot Factor Method</b> requires a Contributing Entity to add the total number of covered lives of reinsurance contribution enrollees on any date (or more dates, if an equal number of dates are used for each quarter) during the same corresponding month in each of the first three quarters of the benefit year, and divide that total by the number of dates on which a count was made. The date(s) used for the second and third quarters must fall within the same week of the quarter as the corresponding date(s) used for the first quarter. In addition, the same months must be used for each quarter (i.e., March, June, and September). Under this method, the number of lives covered on a date is calculated by adding: (1) the number of participants with self-only coverage on the date and (2) the product of the number of participants with coverage other than self-only coverage on the date and a factor of 2.35.
<b>Member Months or State Form</b>	The <b>Member Months or State Form Method</b> requires an issuer to multiply the average number of policies in effect for the first nine (9) months of the benefit year by the ratio of covered lives per policy in effect, calculated using the prior year's National Association of Insurance Commissioners (NAIC) Supplemental Health Care Exhibit or a form filed with the issuer's State of domicile for the most recent time period.
<b>Form 5500</b>	The <b>Form 5500 Method</b> requires a self-insured group health plan to use the number of covered lives of reinsurance contribution enrollees for the most current plan year calculated <u>based upon the "Annual Return/Report of Employee Benefit Plan" filed with the Department of Labor (Form 5500)</u> for the last applicable time period. For purposes of this counting method, the number of lives covered for the plan year for a plan offering only self-only coverage equals the sum of the total participants covered at the beginning and end of the plan year, as reported on lines 5 and 6(d) of the Form 5500, divided by two (2). The number of lives covered for the plan year for a plan offering self-only coverage and other than self-only coverage equals the sum of the total participants covered at the beginning and the end of the plan year, as reported on lines 5 and 6(d) of the Form 5500.

Figure 3 shows the specific counting methods available for health insurance issuers and self-insured group health plans:

Figure 3: Available Counting Methods

Counting Method*	Health Insurance Issuers	Self-Insured Group Health Plans
Actual Count	✓	✓
Snapshot Count	✓	✓
Snapshot Factor		✓
Member Months or State Form	✓	
Form 5500		✓



For detailed Counting Method examples, see the Module 2: 2016 Reinsurance Contributions Counting Methods Overview webinar slides on [REGTAP](#) and the [CCIIO website](#).

## 6.1 Partial Year Coverage

If a health plan or coverage is established or terminated or changes funding mechanisms during the first nine (9) months of a benefit year, we refer to this as partial year coverage. When a group health plan that offers only one coverage option changes from self-insured to fully insured during the calendar year, the self-insured group health plan is responsible for paying the reinsurance contribution for the reinsurance contribution enrollees from January 1, 2016, through the date on which the plan changed to fully insured. The issuer of the fully insured plan is responsible for paying the reinsurance contribution for the reinsurance contribution enrollees starting on the date the plan changed to fully insured through September 30, 2016.

## 6.2 Exempted Lives

Exempted lives will need to be deducted while making the calculation using one of the approved counting methods.

Table 4 identifies how to deduct exempted lives using an approved counting method.

Table 4: Exempted Lives

Counting Method	How to Deduct Exempted Lives
Actual Count Method	<ol style="list-style-type: none"> <li>1. Subtract any exempted lives from the total for each day, <b>prior</b> to adding the total number of lives covered for each day of the first nine (9) months of the benefit year.</li> <li>2. Divide the total by the number of days in the first nine (9) months.</li> </ol>
Snapshot Count Method	<ol style="list-style-type: none"> <li>1. Subtract any exempted lives from the total for each date(s) on which a count is taken in a quarter, prior to adding the total number of lives covered on any date (or more dates, if an equal number of dates are used for each quarter) during the same corresponding month in each of the first three (3) quarters of the benefit year.</li> <li>2. Divide that total by the number of dates on which a count was made.</li> </ol>
Snapshot Factor Method	<ol style="list-style-type: none"> <li>1. Calculate using the snapshot factor method.</li> <li>2. Subtract the number of exempted lives from the total number of lives covered.</li> </ol>
State Form or Member Months Method	<ol style="list-style-type: none"> <li>1. Calculate using the state form or member months method.</li> <li>2. Subtract the number of exempted lives from the total number of lives covered.</li> </ol>
Form 5500	<ol style="list-style-type: none"> <li>1. Calculate using the Form 5500 method.</li> <li>2. Subtract the number of exempted lives from the total number of lives covered.</li> </ol>

Table 5 identifies the location of reference materials related to calculating an Annual Enrollment Count.

Table 5: Reference Materials

Reference Materials	Download
Module 2: 2016 Reinsurance Contributions Counting Methods Overview	<a href="#">REGTAP</a> <a href="#">CCIIO website</a>

Reference Materials	Download
2016 Reinsurance Contributions Examples of Counting Methods for Contributing Entities	<a href="#">REGTAP</a> <a href="#">CCIIO website</a>



For a list of all plans or coverage that are exempt from the requirement to make reinsurance contributions, please reference Module 1: 2016 Reinsurance Contributions Overview webinar slides on [REGTAP](#) and the [CCIIO website](#).

## 7 Supporting Documentation

For the 2016 benefit year, the submission of Supporting Documentation (.CSV file) **is required** when reporting for four (4) or more Contributing Entities within a single Form submission. Supporting Documentation (.CSV file) **is not required** when reporting for three (3) or fewer Contributing Entities using the same Form.

CMS has provided tools to assist Contributing Entities in creating the Supporting Documentation (.CSV file):

- [2016 Reinsurance Contributions Supporting Documentation File Layout](#) – details the columns required for the manual creation of the Supporting Documentation (.CSV file)
- [2016 Supporting Documentation Job Aid](#) – a macro-enabled spreadsheet that provides ease of creation of the Supporting Documentation (.CSV file)
- [2016 Reinsurance Contributions Supporting Documentation Job Aid Manual](#) – a document that assists with requirements of the Job Aid tool

All of the Supporting Documentation tools can be downloaded from the [REGTAP](#) library.

### 7.1 Uploading Supporting Documentation

Before uploading the Supporting Documentation (.CSV file) to the Form, check for the following:

- The Supporting Documentation (.CSV file) includes no special characters
- If any of the Zip Codes entered in the Job Aid have a leading zero, do not open the .CSV file in Excel to make edits



The .CSV file should only be opened using Notepad or Wordpad.

- Four (4) or more lines of data are included in the Supporting Documentation (.CSV file)

- The aggregated (sum) Annual Enrollment Count reported in the Supporting Documentation (.CSV file) matches the aggregated Annual Enrollment Count entered in the Form

Figure 4 shows an example of a completed Supporting Documentation (.CSV file), ready to be uploaded to the 2016 Form:

Figure 4: Sample Supporting Documentation .CSV File

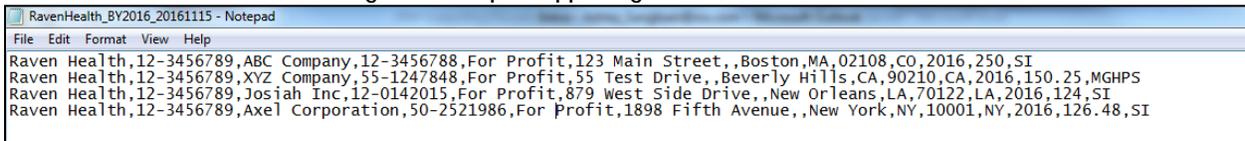


Table 6 identifies the location of supporting documentation reference materials.

Table 6: Supporting Documentation Reference Materials

Reference Materials	Download
Special Topic: 2016 Contributions Supporting Documentation (.CSV File)	<a href="#">REGTAP</a> <a href="#">CCIIO website</a>
2016 File Layout	<a href="#">REGTAP</a> <a href="#">CCIIO website</a>
2016 Reinsurance Contributions Supporting Documentation Job Aid Manual	<a href="#">REGTAP</a> <a href="#">CCIIO website</a>
2016 Reinsurance Contributions Supporting Documentation Job Aid	<a href="#">REGTAP</a> <a href="#">CCIIO website</a>