Date:        October 20, 2014

Subject:   The Transitional Reinsurance Program: Availability of the ACA
Transitional Reinsurance Program Annual Enrollment and Contributions
Submission Form on Pay.gov

Section 1341 of the Affordable Care Act established a transitional reinsurance program to
stabilize premiums in the individual market inside and outside of the Marketplaces. The
transitional reinsurance program will collect contributions from health insurance issuers and
certain self-insured group health plans (contributing entities) in the 2014, 2015 and 2016 benefit
years 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.

HHS has implemented a streamlined process for the collection of reinsurance contributions
where a contributing entity, or a third party administrator (TPA) or administrative-services only
(ASO) contractor on behalf of the contributing entity, can complete all of the required steps for
the reinsurance contribution submission process on Pay.gov: registration, submission of the
annual enrollment count via the ‘ACA Transitional Reinsurance Program Annual Enrollment and
Contributions Submission Form’ (the Form), and remittance of contributions.

The Form will be available via www.pay.gov on Friday, October 24, 2014 in time for the 2014
benefit year’s annual enrollment count submission deadline of November 15, 2014 set forth
under 45 CFR 153.405(b). We note that reinsurance contribution payments are not due on
November 15, 2014. HHS will offer contributing entities the option to pay: (1) the entire 2014
benefit year contribution in one payment no later than January 15, 2015, reflecting $63.00 per
covered life; or (2) in two separate payments for the 2014 benefit year, with the first remittance
due by January 15, 2015 reflecting $52.50 per covered life, and the second remittance due by
November 15, 2015, reflecting $10.50 per covered life.

Additional information regarding the transitional reinsurance program can be accessed
at www.regtap.info and http://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-
Stabilization-Programs/The-Transitional-Reinsurance-Program/Reinsurance-Contributions.html.