



**MURPHY HESSE
TOOMEY & LEHANE LLP**

Attorneys at Law

**Labor & Employment Alert
December 2014**

**Action Required Now for the Affordable Care Act's Transitional
Reinsurance Program**

For a discussion of these and other issues, please visit the update on our website at www.mhtl.com/law. To receive mailings via email, please email information@mhtl.com.

The filing deadline to submit annual enrollment counts for group health plans subject to the Transitional Reinsurance Program ("TRP") is December 5, 2014 at 11:59 pm. The first TRP contribution payment is due January 15, 2015.

The TRP is one of the taxes and fees established under the Affordable Care Act ("ACA"). Money raised through this fee is intended to stabilize premiums in the individual market for those with pre-existing conditions. The TRP contribution applies to benefit years 2014-2016, and the fee is \$63 per covered life in 2014. The fee is expected to be less in 2015 and 2016, as the statute provides for less money to be raised in each subsequent year.

The TRP requires insurers and plan sponsors of self-insured group health plans to submit the contribution. It is expected that insurers will pass the cost of the TRP contribution on to employers sponsoring fully insured plans. Plan sponsors of self-insured plans must either make the submissions or work with their third party administrators to make the submissions on behalf of the self-insured plan. If you have a fully-insured group health plan, you may wish to confirm with your insurer that it has met its requirements under the statute.

By 11:59 pm on December 5, 2014, self-insured plan sponsors must submit annual enrollment information based on average enrollment during the plan year. The plan's required TRP contribution will then be calculated automatically. The Centers for Medicare and Medicaid Services ("CMS"), which administers the TRP, has provided that insurers and self-insured plan sponsors can make the TRP contribution in one or two payments. The first payment is due January 15, 2015. If the insurer or plan sponsor chooses, it can pay the entire \$63 per covered life at that time, or it can choose to pay \$52.50 per covered life at that time with the additional \$10.50 per covered life due November 15, 2015.

Phone (617) 479-5000

Fax (617) 479-6469

www.mhtl.com



MURPHY HESSE
TOOMEY & LEHANE LLP

Attorneys at Law

For more information on how and when to submit your plan's annual enrollment count and contribution, you can visit: <http://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/The-Transitional-Reinsurance-Program/Reinsurance-Contributions.html>.

* * * * *

For questions about pending or proposed laws or regulatory enforcement priorities, and how they will affect your operations, please contact Katherine Hesse or Brian Fox or the attorney assigned to your account.

This alert is for informational purposes only and may be considered advertising. It does not constitute the rendering of legal, tax or professional advice or services. You should seek specific detailed legal advice prior to taking any definitive actions.

©2014 MHTL