

April 3, 2014

Trustee Alert – Transitional Reinsurance Fee Update

Health care reform imposed on all health plans a Transitional Reinsurance Fee (TRF) for three years—2014 through 2016. For 2015 and 2016, there is an exemption from the TRF program for self-insured plans that self-administer claims.

This exemption has been widely touted as a multiemployer or union-based plan exemption. However, the trust does not qualify for the exemption because the exemption does not apply to any plans that hire third-party administrators for enrollment or claims processing (other than for pharmacy benefits or excepted benefits).

The trust will be required to pay the TRF for all three years of the program. Each annual TRF may be paid in two installments.

- For 2014, the TRF is \$63.00 per covered life with \$52.50 due in January 2015 and \$10.50 due during the fourth quarter of 2015.
- For 2015, the TRF is \$44 per covered life with \$33 due in January 2016 and \$11 due during the fourth quarter of 2016.
- HHS has not yet proposed the TRF for 2016.

Andrew S. Brignone
abrignone@bhfs.com
T 702.464.7006

Las Vegas Office
100 North City Parkway, Suite 1600
Las Vegas, NV 89106-4614

Cara S. Elias
celias@bhfs.com
T 303.223.1141

Denver Office
410 Seventeenth St, Suite 2200
Denver, CO 80202

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