



FLASH UPDATE

September 16, 2014

Flash Update - Three Hot Topics

There are three hot topics with deadlines just around the corner but we know that now is one of the busiest times of the year. Therefore, McGohan Brabender is preparing short informative videos on these topics that you can watch when your schedule permits. You will be able to select the videos that apply to your health plan.

ACA Employer Reporting – Section 6055 and 6056

Health care reform requires most people to have health coverage or pay a penalty. The health care exchange or marketplace is where people can go to get coverage and, depending on their household income, they may receive government subsidies to help pay for the coverage. Health care reform also requires larger employers to offer quality/affordable health coverage to full time employees or pay a penalty.

The IRS has just released the instructions and forms (i.e. IRS Forms 1094 and 1095) that employers will use to report information to the government and employees so that the government can determine who is eligible for the subsidies and which employers will be subject to the penalties. Employers need to begin gathering the data January 1, 2015, and will have to complete and submit the forms to the government and send copies to the employees in early 2016.

Transitional Reinsurance Fee

All group health plans have to contribute to a transitional reinsurance pool. The pool is designed to help compensate the carriers participating in the government marketplaces or exchanges for the adverse risk. The reinsurance fee is for 2014, 2015 and 2016. The fee for this year is \$63 per person (i.e. the employee, spouse and children) covered under the group health plan.

If you are sponsoring a fully insured health plan, the carrier will pay the fee but the fee has been baked into your premiums. If you are sponsoring a self-funded group health plan, you have to calculate the fee and then remit it to the government. You have to submit the data to the government by November 15, 2014, and you can pay the fee in either one or two installments. If you are going to pay the fee in one installment, the payment is due January 15, 2015. On the other hand, if you want to pay the amount in two installments the first installment of \$52.50 is due January 15, 2015, and the second payment of \$10.50 is due November 15, 2015. However, the government's system is not ready yet.

Health Plan Identifier or HPID

In an effort to help streamline the health care system, group health plans will have to get a health plan identifier or HPID. If you sponsor a fully insured plan, the carrier will get the HPID. However, if you sponsor a self-funded health plan, you will have to get the HPID by November 5, 2014.

These videos will provide in-depth coverage on all three topics. Each video will be self-contained so you can watch the ones that apply to you. Stay tuned for more information!!!!