

Benefits Buzz

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DID YOU KNOW?

Due to key ACA changes scheduled for 2014, consumers have been receiving cancellation notices from their health insurance companies. On Nov. 14, the White House announced a transition policy for 2014 that allows insurers to extend policies that don't meet ACA standards.

However, state governors and insurance commissioners are not required to allow this transition policy. Some states are rejecting the one-year delay and are adhering to the original compliance deadline for ACA health insurance standards.



Three Key Changes to the 2015 Reinsurance Program

A recent HHS proposed rule (the 2015 Notice of Benefit and Payment Parameters Proposed Rule) addresses key changes to the transitional reinsurance program for 2015. The transitional reinsurance program is a three-year program required by the ACA to help stabilize coverage premiums in the individual market during the first years of the Exchange.

First, the proposed rule would exempt certain self-insured, self-administered group health plans from the ACA's reinsurance contribution requirement by redefining a "contributing entity." This change is proposed to be effective for the 2015 and 2016 benefit years and applies to self-insured, self-administered group health plans that do not use a third party administrator for core processing functions.

Second, HHS announced that the annual contribution rate for 2015 will be \$44 per enrollee per year.

Third, HHS modified the reinsurance payment schedule, effective for the 2014 benefit year. Under the 2013 rule, contributing entities were required to submit payment within 30 days of an HHS notification or by Dec. 15. The proposed rule would change the collection schedule, requiring payment of reinsurance contributions in two installments—one at the beginning of the calendar year following the benefit year and one at the end of that calendar year.

For example, for 2015, the proposed rule would require the newly defined "contributing entities" to pay the \$44 per enrollee in a \$33 allotment in January 2016 and \$11 in the fourth quarter of 2016.

FF-SHOP Online Enrollment Delayed

On Nov. 27, 2013, HHS delayed online enrollment for federally facilitated Small Business Health Options Programs (FF-SHOPs) until November 2014. Although online enrollment in the FF-SHOPs will not be available until then, small employers can still access an overview of available plans and premiums at healthcare.gov.

In states with FF-SHOPs, employers who want to enroll for 2014 can do so with a paper application through an agent, broker or insurer offering a certified SHOP plan. States that operate their own SHOP Exchanges are permitted to offer online enrollment for 2014.

HHS has also announced an extension of the enrollment deadline for FF-SHOPs from the original Dec. 15, 2013, to Dec. 23, 2013, for coverage beginning on Jan. 1, 2014.