

abs tpa Today

October 2013

Communication to ABS Groups

ABS self funded groups will be contacted by a Client Services Team Member prior to the end of October 2013 in order to discuss employer-paid fees and PPACA compliance issues.

If you have questions regarding a current ABS self funded group, please contact Client Services at 800-211-1538.

For additional information, contact your sales representative:

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PPACA Taxes and Fees:

An Overview for the Agent and Employer

The Patient Protection and Affordable Care Act (PPACA) introduces a variety of new taxes and fees, summarized below along with the applicable action taken by Automated Benefit Services (ABS) for its self funded groups.

A Quick Reference Guide to PPACA Fees and Taxes

Patient Centered Outcomes Research Institute (PCORI) Fee			
What & When	7-year annual fee on plans (2013 - 2019)	Amount	\$1 PMPY* Year 1 \$2 PMPY* Year 2 Years 3 - 8 inflation adjusted
Purpose	Funds comparative effectiveness research	Who Pays	Fully Insured: Carrier Self Funded: Employer
Applicable Plans	Fully Insured Self Funded	USHL Action	USHL pays this fee for in-force fully insured groups
Health Insurance Industry Fee			
What & When	Permanent annual fee on health insurers beginning in 2014	Amount	Estimated to be 2-2.5% of premium in 2014 Increasing to 3-4% future years
Purpose	Helps fund exchanges and PPACA implementation	Who Pays	Fully Insured: Carrier Self-Funded: N/A
Applicable Plans	Fully Insured only	USHL Action	USHL will remit for in-force fully insured groups Billed as a separate item for non-metal plans**
Transitional Reinsurance Program Fee			
What & When	3-year annual fee on plans (2014 - 2016)	Amount	2014: \$63 PMPY* 2015: Estimated \$40-45 PMPY* 2016: Estimated \$25-30 PMPY*
Purpose	Funds reinsurance program to help lessen impact of high-risk individuals entering individual market	Who Pays	Fully Insured Plan: Carrier Self Funded Plan: Employer
Applicable Plans	Fully Insured Self Funded	USHL Action	USHL Metal Plan Groups: Included in premium USHL Renewal Groups: Billed as a separate item**
Risk Adjustment Fee			
What & When	Permanent annual fee beginning 2014	Amount	Estimated at \$1 PMPY* in 2014
Purpose	Transfers funds from lower risk to higher risk plans	Who Pays	Fully Insured: Carrier Self Funded: N/A
Applicable Plans	Fully Insured Small Group Only	USHL Action	Included in premium
** How will these fees be billed?			
The Transitional Reinsurance Program Fee (\$5.25 PMPM, resulting in the annual charge of \$63/PMPY) and the Health Insurance Industry Fee (USHL will be billing at the rate of 2% of combined medical, Rx and dental premium) will appear as one line item for each employee on the group billing statement under a column denoted "PPACA Taxes and Fees."			

* PMPM: Per member per month; PMPY: Per member per year



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