



# MILLENNIUM UPDATE

## In This Issue

[Reinsurance Fee Training Sessions Announced](#)

[PCOR Fees - Due by July 31, 2014](#)

[Update on Process to Pay Transitional Fees](#)

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*June 2014*

## Reinsurance, PCOR and Transitional Fee Updates

### Reinsurance Fee Training Sessions Announced

As referenced in the first June issue of the Millennium Update, the Centers for Medicare and Medicaid Services (CMS) is conducting training on the calculation and payment of the reinsurance fee. The training session will be held this Wednesday, June 25, 2014 from 2:00 - 3:00 p.m. EST. Registration is now open for self-funded group health plans and will be on a first-come, first-served basis, limited to three participants per organization.

During the webinar, you will learn:

- Who is involved in submitting contributions
- How contribution amounts are calculated
- The reinsurance contribution submission process

To register, contact the [Registration for Technical Assistance Portal](#) online (REGTAP). Millennium will also be participating in the training sessions, so please let us know if you have any questions.

### PCOR Fees - Due by July 31, 2014

**Who:**

Health insurers and plan sponsors of self-insured plans.

**What:**

New research trust fund fees (also known as PCOR - Patient-Centered Outcomes Research fees) are due by July 31. The fee is paid annually using Form 720, Quarterly Federal Excise Tax Return.

### When:

The form must be completed - thereby paying the fee - by July 31, 2014.

### How:

The payment, paid through the Electronic Federal Tax Payment System (EFTPS), will use Form 720. Last week, the IRS issued a revised Form 720 and instructions for filing the PCOR fees. Filers will enter covered-lives counts and applicable rates (in Part II of Form 720 [line 133] to calculate the amount owed). The fees are as follows:

- \$1 for plan years ending before Oct. 1, 2013
  - \$2 for plan years ending on or after Oct. 1, 2013
- This data is to be entered

The new Instructions include a table for use by filers with plans or policies subject to both the \$1 and \$2 applicable rates. Though Form 720 is generally used for quarterly excise taxes, PCOR filers remit that fee annually - by July 31 - and complete only line 133 (unless also submitting excise taxes).

As a reminder, the PCOR fee as established by the Affordable Care Act applies to each plan or policy year that ends after Sept. 30, 2012, and before Oct. 1, 2019.

### For More Information:

[Click Here](#) for a copy of Form 720.

[Click Here](#) for instructions to complete Form 720.

## Update on Process to Pay Transitional Fees

### Who:

Transitional fees are to be paid by "contributing entities". Insurers of insured group health plans and self-insured group health plans are contributing entities. For purposes of the fee, a third-party administrator on behalf of a self-insured group health plan can process the payment of the fee.

### What:

The process that contributing entities will use to pay the Transitional Fees was recently released in a letter from the Centers for Medicare & Medicaid Services (CMS).

### How:

A form will be available via [www.pay.gov](http://www.pay.gov) where a contributing entity will provide basic company contact information and the annual enrollment

count for the applicable benefit year. The form will auto-calculate the contribution amounts.

To complete the submission, contributing entities will also submit payment information and schedule a payment date for remittance of the contributions. This website ([www.pay.gov](http://www.pay.gov)) provides a "one-stop" approach to complete the reinsurance contributions process. **HHS will offer training on this process - with training expected to be released in late June. Millennium will notify you as soon as the training has become available.**

Please note that this process replaces provisions in prior guidance that indicated that HHS would bill plans by December 15th, and plans would be required to pay the bills within 30 day after receiving them (by approximately January 15, 2015).

#### When:

Contributing entities must complete the initial form at [www.pay.gov](http://www.pay.gov) no later than November 15.

[Click Here](#) to view the May 22 letter.

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