



Understanding... Affordable Care Act Fees

As regulations continue to be released by the Department of Health and Human Services (HHS) and federal agencies, Blue Cross and Blue Shield of Illinois is committed to helping our members understand the Affordable Care Act (ACA) provisions and how they'll impact health care coverage, starting in 2014.

This quick reference guide provides a high-level overview on the Annual Fee on Health Insurers ("Health Insurers Fee") and Transitional Reinsurance Program Contribution Fee ("Reinsurance Fee"), as established under ACA. Be sure to watch for the latest updates from Blue Cross and Blue Shield as new guidelines are released.

Annual Fee on Health Insurers ("Health Insurer Fee")

What?	An annual fee on the value of health insurance premiums that will be paid health insurers on a pro-rata basis	
Who is it assessed on?	Health insurers	
When?	Annually, beginning in 2014	
How Much?	<ul style="list-style-type: none"> • In 2014, the total fee (submitted by health insurers) will equal \$8 billion • The total fee will increase after that until it reaches \$14.3 billion in 2018 • After 2018, the total fee will increase based on the rate of premium growth • Each health insurer's portion of the total Health Insurer Fee will be determined by the federal government on a pro-rata basis and calculated based on prior year information 	
Market Segments Affected?*	<ul style="list-style-type: none"> • Fully insured group market • Individual, under 65 market • Medicare Advantage • Medicare Part D • Medicaid Managed Care • Federal Employees Health Benefits Program Plans • Dental • Vision 	Markets not Affected: <ul style="list-style-type: none"> • Long term care insurance • Accident or disability • Specific disease or illness • Hospital & fixed indemnity • Medicare Supplement • Self-Insured Plans • VEBA's (non-employer related) • Certain governmental entities

*May not represent all market segments and/or exceptions

Transitional Reinsurance Program Contribution Fee ("Reinsurance Fee")

What?	A temporary fee assessed on insured and self-funded health plans, on a national per capita or per covered life basis. Helps fund temporary reinsurance programs (established under ACA) that would operate in each state from 2014 through 2016.	
Who is it assessed on?	<ul style="list-style-type: none"> • Health insurers for fully insured coverage • Plan sponsors of self-funded plans 	
When?	Three (3) years: 2014, 2015, 2016	
How Much?	<ul style="list-style-type: none"> • The federal government has issued rules to set out the amount of the reinsurance fee. • States will have the ability to require additional reinsurance contributions. • Final rules and guidance set the amount of the Reinsurance Fee for 2014 at \$5.25 per member, per month and will also include any additional applicable federal and state taxes. 	
Market Segments Affected?*	<ul style="list-style-type: none"> • Fully insured group market • Individual, under 65 market • Self-insured plans • Federal Employees Health Benefits Program Plans • State and local governmental plans • Tribal Employee Plans • COBRA • Retiree-Only Plans (employer provided) 	
	<p>Markets not Affected:</p> <ul style="list-style-type: none"> • Employee Assistance Programs (if not major medical coverage) • HIPAA-excepted benefits • Medicaid • Medicare Advantage • Medicare Part D • Retiree-Only Plans (supplemental) • Tribal Member Plans (spouses and dependents) • Stand-alone Dental and Vision Coverage 	

**May not represent all market segments and/or exceptions*