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**Meeting Location:
Tulare County Employees' Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93291
November 7, 2014 9:00 AM**

AGENDA DATE: November 7, 2014

ITEM NUMBER: 18

SUBJECT: Report on Submission for HIPAA Health Plan Identification Number (HPID) and Filing for Payment of Transitional Reinsurance Fee

REQUEST(S): That the Board receive and file report on HPID and Transitional Reinsurance Fee

DESCRIPTION:

The SJVIA has been impacted by many aspects of healthcare reform since inception. The following two items presented to your Board today require the SJVIA to complete certification processes as well as pay fees associated with the self-insured Anthem Blue Cross and Blue Shield of CA PPO plans.

HIPAA Health Plan Identification Number (HPID)

As part of healthcare reform, HIPAA's administrative simplification rules have been amended to require health plans to obtain a Unique Health Plan Identifier ("HPID") and to then file a certification of compliance. The HPID is a 10-digit, all-numeric identifier assigned to health plans that is required to be used in electronic standard transactions. The SJVIA is considered a large health plan and must obtain the HPID by November 5, 2014. Although the insurer for fully-insured plans will obtain the HPID, the SJVIA must do so for the Anthem Blue Cross and Blue Shield of CA PPO self-insured plans. The certification process for health plans that obtain an HPID by November 5, 2014 must be completed by December 31, 2015. The SJVIA has obtained the required HPID and will be completing the certification process as required.

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Additional details on this can be found on EXHIBIT A to this item.

Transitional Reinsurance Fee

The goal of the Transitional Reinsurance program is to reduce the uncertainty of insurance risk in the individual market by partially offsetting risk for high-cost enrollees. By limiting insurer's exposure to high-cost enrollees, it's hoped this program will limit individual market rate increases that might otherwise occur because of the immediate enrollment of individuals with unknown health status. The national contribution rate will be \$5.25 per covered life, per month in 2014, which is equivalent to an **annual rate of \$63 per covered life**. For future years, the U.S. Department of Health and Human Services (HHS) intends to publish an annual notice setting forth the national contribution rate for the upcoming benefit year. HHS anticipates the 2015 benefit year contribution rate will be \$44 per covered life. For 2016 the contribution rate is unknown but the amount to be collected is scheduled to decline. Health insurance issuers and self-insured group health plans are ultimately responsible for making the payment. The SJVIA Anthem Blue Cross and Blue Shield PPO plans are self-insured and the SJVIA is required to make payment for these. The annual enrollment count must be submitted to HHS no later than November 15th of the applicable benefit year (i.e., November 15, 2014 for the 2014 benefit year). The gross annual enrollment count (covered lives) is then entered into the system and the Pay.gov system will auto-calculate the amount of the fee. Once the form has been completed, supporting documentation will need to be uploaded to the Pay.gov system. The supporting documentation will assist HHS with verifying the amount of the fee for each contributing entity. Once the form has been completed and the supporting documentation has been uploaded, contributing entities will then enter bank information and schedule payment dates.

Additional details can be found on EXHIBIT B to this item.

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FISCAL IMPACT/FINANCING:

There is no fiscal impact for the Health Plan Identification Number. The amount due for the 2014 plan year for the Transitional Reinsurance Fee is \$1,039,031 calculated from the average number of members on the plan from January through September of 2014. This amount had been included in the underwriting of the plan rates for the 2014 plan year and as such, included in the budget for 2014-15 fiscal year.

ADMINISTRATIVE SIGN-OFF:



Rhonda Sjostrom
SJVIA Manager



Paul Nerland
SJVIA Assistant Manager