## Paying for Health Care Reform

Health Care Reform, also known as the Affordable Care Act, is a federal law that seeks to ensure that more Americans have access to health insurance. In an effort to do this, the law creates several new programs. Below are a few of these new programs:

- **The Federally Facilitated Marketplace**, an online store for health insurance run by the federal government, launched October 1, 2013.
- **Financial assistance** is available from the government in the form of premium tax credits and cost-share subsidies to help qualifying families and individuals buy their own health insurance.
- **The Patient Centered Outcomes Research Institute (PCORI)** will provide evidence-based research that is intended to help standardize medical practice in an effort to improve patient outcomes.
- **A transitional reinsurance program** will be created to help stabilize health insurance premiums for individual plans during the first 3 years the Federally Facilitated Marketplace is open.
- **A risk adjustment program** will launch to spread the financial risk borne by health insurance issuers in the individual and small group markets more evenly and stabilize premiums.

With the addition of these programs come additional fees. Health insurance companies, like Blue Cross of Northeastern Pennsylvania, and employers will be required by law to pay new program fees. Blue Cross of Northeastern Pennsylvania is dedicated to helping you understand the impact of these new costs. **That’s why we’ve included an overview of 5 of the program fees imposed under the Affordable Care Act:**

<table>
<thead>
<tr>
<th>Program Fee</th>
<th>Cost</th>
<th>Paid by</th>
<th>Effective Dates</th>
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<tbody>
<tr>
<td><strong>Marketplace User Fees</strong></td>
<td>3.5% of the monthly premium for each policy sold in the Federally Facilitated Marketplace</td>
<td>Blue Cross of Northeastern Pennsylvania</td>
<td>2014, ongoing</td>
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<tr>
<td><strong>Annual Health Insurance Industry Fee</strong></td>
<td>In the initial year, it is estimated that BCNEPA will pay $10 million, and the total amount collected from all health insurance companies in the country will be $8 billion. The amount will increase each year to $14.3 billion in 2018. This will help fund premium tax credits and cost-share subsidies.</td>
<td>Blue Cross of Northeastern Pennsylvania</td>
<td>2014, ongoing</td>
</tr>
</tbody>
</table>
| **PCORI Fee** | For plan year ending:  
October 1, 2012–September 30, 2013, the fee is $1 per covered life.  
October 1, 2013–September 30, 2014, the fee is $2 per covered life.  
October 1, 2014–September 30, 2019, the fee has yet to be determined. | Blue Cross of Northeastern Pennsylvania pays the fee on fully-insured plans.  
Fully-insured groups will pay the fee on the FSA or HRA plan.  
Self-insured groups pay the fee on both the medical and FSA or HRA plan. | 2013–2020  
The tax is due on July 31 of the calendar year following the end of the plan year. |
| **Transitional Reinsurance Program Assessment Fee** | $63 per covered life. Enrollment counts must be submitted to the U.S. Department of Health and Human Services by November 15 of each applicable year. | Blue Cross of Northeastern Pennsylvania pays the fee for fully-insured plans.  
Self-insured groups pay the fee for self-insured plans. | 2014–2016 |
| **Risk Adjustment Program and Fee** | Payments will be transferred from health insurance companies with relatively lower-risk populations to those with relatively higher-risk populations. | Blue Cross of Northeastern Pennsylvania Note: Risk adjustment doesn’t apply to large group, self-funded or grandfathered plans. | 2014, ongoing |

Some of the program fee calculations are complicated. We suggest you consult your legal, accounting and tax departments to understand how the law will affect your business.

Visit our website at [bcnepa.com/Reform](http://bcnepa.com/Reform) to see all of the provisions of the law, access valuable resources, watch videos and use interactive tools—all designed to help you be better prepared.