

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

## AGENDA ITEM SUMMARY

Meeting Date: December 20, 2016      ☒ Consent      ☐ Regular  
    ☐ Ordinance      ☐ Public Hearing

Department: Risk Management

Submitted By: Risk Management

Submitted For: Risk Management

## I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to:**

- A) **approve** payment of the Transitional Reinsurance Program Annual Enrollment Contribution Submission in the amount of \$197,608.41 due for the Affordable Care Act's (ACA) Transitional Reinsurance Program as established by Section 1341 of the ACA, and;
- B) **delegate** the County Administrator or designee, as the Authorizing Official for Reporting Entity's Acknowledgment, as defined by the ACA, to verify and acknowledge the annual enrollment count, supporting data, and accompanying required contribution as stated above.

**Summary:** The ACA established the Transitional Reinsurance Program to stabilize premiums in the individual health insurance market and ACA exchanges. Contributing Entities, as defined by 45 CFR 153.20, including the Board's self-insured group health plan, are required to pay annual contributions for the 2014, 2015, and 2016 benefit (calendar) years. The 2016 contribution is due by January 15, 2017 and represents \$27.00 per enrolled participant for the current benefit year. Countywide (HH)

**Background and Justification (or Policy Issues):** The ACA was signed into law by President Obama in March of 2010 and implements systematic changes throughout the health insurance industry, many of which apply to the County's self-insured health plan. The Transitional Reinsurance Program Annual Enrollment Contribution offers several counting methods for self-insured health plans. Staff used the "Snapshot Factor" method of determining the number of covered lives in the plan, for which the required \$27.00 must be paid. This method, which calculated 7,318.83 total covered lives, is the most cost effective calculation available under the regulations of the ACA. The regulations allow plans to pay the contribution in one payment due January 17, 2017, or in two payments, the first of which is due January 17, 2017 in the amount of \$21.60 per covered life, with the balance of \$5.40 due by November 15, 2017. Staff recommends the first option in order to save the costs of additional administrative effort. The 2016 benefit year is the final year of the Transitional Reinsurance Program.

**Attachments:**

- # 1. ACA Transitional Reinsurance Program Annual Enrollment and Contributions Submission Form

Recommended By: [Signature] 11/21/16  
Department Director Date

Approved By: Nancy L. Belton 12/6/16  
County/Deputy/Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

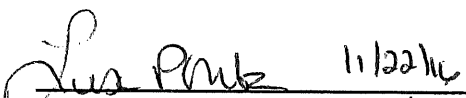
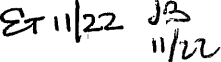
Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures					
Operating Costs	\$197,608.41				
External Revenues					
Program Income (County)					
In-Kind Match (County)					
Net Fiscal Impact	\$197,608.41				
# ADDITIONAL FTE POSITIONS (Cumulative)	0	0	0	0	0
Is Item Included In Current Budget?	Yes	X	No		
Budget Account	Exp No.: Fund	5012 Dept	700 Unit	7315 Obj	4901
	Rev No.: Fund				

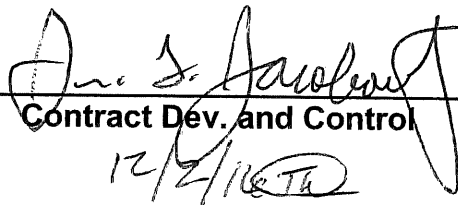
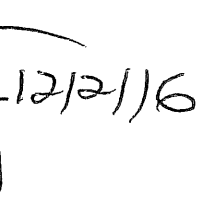
B. Recommended Sources of Funds/Summary of Fiscal Impact:  
Employee Health Insurance Fund/ Budget Line 5012-700-7315-4901  
2016 Contribution Per Life \$27.00  
Covered Lives 7,318.83  
Total Contribution \$197,608.41


C. Departmental Fiscal Review: 

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

  
OFMB 

  
Contract Dev. and Control 

B. Legal Sufficiency:  
  
Assistant County Attorney

C. Other Department Review:  
  
Department Director

Palm Beach County Board Of County Commissioners  
Transitional Reinsurance Program  
2016 Contributions

Snapshot Date	Employee Only	Other than Employee Only <sup>1</sup>	Total Lives
January 1, 2016	2,076.00	5,221.70 (2,222*2.35)	7,311.80
April 1, 2016	2,060.00	5,217.00 (2,220*2.35)	7,291.10
July 1, 2016	2,099.00	5,238.15 (2,229*2.35)	7,353.60
	6,235.00	15,721.50	21,956.50

Covered Lives (Total Lives / Number of Snapshot Dates) 7,318.83  
Contribution per Life 27.00  
Total Contribution \$ 197,608.41

<sup>1</sup>Snapshot Factor Method - Employees with coverage other than Employee Only are multiplied by a factor of 2.35.