


State Based Exchange (SBE) Enrollment Reporting Office Hours and Issuer Meeting



Center for Consumer Information and Insurance Oversight (CCIIO)

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Agenda

- Updates
- Updated Interface Control Documents (ICDs)
- Allocation of APTC: Mid-Month
- Disputes
- Premium Guidance (Covid)
- Production Payment Cycle Files Update
- Reference Documents
- Q&A

Updates

Updates

- CMS will schedule both the SBE and issuer meetings on a quarterly basis instead of monthly.
- SBE QHP certification is due no later than October 15, 2020 to avoid delays in NAIC's SBE plan data transfer to CMS and SBMI processing
 - SBEs update the QHP certification status in NAIC's System for Electronic Rate and Form Filing (SERFF)
 - Once SBEs complete QHP certification status updates, NAIC will transfer the SBM certified plan data to CMS
- CMS can accept 2021 Open Enrollment SBMI files in the December submission.
- Early year payment adjustments for 2021. If SBEs choose to participate, SBEs must submit initial enrollments on the SBMI to CMS so that CMS can calculate and pay an upper bound adjustment to SBE issuers.
- Please send SBE contact updates via email to FMCC fmcc@cms.hhs.gov.
- If you have any ingestion or data issues, please email the FEPS Help Desk at CMS_FEPS@cms.hhs.gov as soon as possible.

Updated Interface Control Document

Updated Interface Control Documents (ICD)

Update includes new error code:

- CMS found an unusual issue in our logic which would “Approve with Errors” a file even if all policies in that file were rejected.
 - Old – The SBMR shows “Approved with Errors” even when there are no policies accepted.
 - New – The SBMR shows “Rejected” and logs ER-078 when all policies are rejected.
- ER-078 - All the policies in the file/fileset contained business validation errors (which include errors not counted against our error threshold.)
 - We think this will be very rare, but if all policies are rejected in an SBMI file CMS will reject the file with ER-078.

ICD Updates Continued

- CMS updated the ICD for both SBEs and SBE Issuers. These may be found on CMS zONE:
 - SBE ICD: <https://zone.cms.gov/document/state-internal-control-document-icd>
 - SBE Issuer ICD: <https://zone.cms.gov/document/issuer-sbe-icd>

Allocation of Advance Premium Tax Credit (APTC): Mid-Month

Accurate Reporting of Financial Details

- CMS will make payments based on the data sent in the SBMI
- In order for CMS to make accurate payments, SBEs should ensure that information on the SBMI is an accurate reflection of payment (this includes allocation of APTC)
 - APTC must always be less than or equal to the monthly premium
 - APTC reported for a month must also be less than or equal to the monthly household premium tax credit qualifying amount
 - APTC reported on the SBMI which is more than the household qualifying amount is considered an overpayment.

IRS guidance regarding Premium Tax Credits may be found here under Title 26, Chapter 1, Subchapter A, Part 1, Section 1.36B:
https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=5b497903b072e63233b58d614010b252&mc=true&n=pt26.1.1&r=PART&ty=HTML#se26.1.1_136b_60

Partial Month Premium and Proration

- Change in enrollment (due to birth, adoption, or death) can result in mid-month changes to policy start and end dates.
 - This can result in partial month premium which require SBEs to prorate APTC, depending on the policy implemented by the SBE or issuer.
 - CMS will make prorated APTC payments to SBE issuers if prorated amounts are included on the SBMI
 - If the SBE sends two policies for one household for a month due to a mid-month change, total APTC for both policies combined should always be less than or equal to the monthly household eligible amount.
 - It is the SBE's responsibility to ensure that the premium and APTC data reported on the SBMI matches the premium and APTC amounts that issuers are using to bill their members

FFE Proration Logic

- In the FFE, CMS will calculate and assign a proration fraction to every policy level payment transaction associated with a partial month of coverage, which is equal to the total number of days between the Payment Coverage Start Date and Payment Coverage End Date (inclusive), divided by the total number of days in the month.
- Monthly Premium, Monthly APTC, and Monthly CSR are all multiplied by the Proration Fraction (and rounded using half-up rounding) to determine Partial Month Premium, Partial Month APTC, and Partial Month CSR.

$$\text{Proration fraction} = \frac{(\text{Last day of coverage month} - \text{First day of coverage month}) + 1}{\text{Total Days in Month}}$$

Example: Mid-Month Policy Change Utilizing FFE Proration Method

On January 1, 2020 Household A enrolls in a policy with a monthly premium of \$800 and is eligible for \$6,000 APTC per year (or \$500 per month). Due to a change in circumstance, the policy terminates mid-month on June 11, 2020.

Mid-month termination on June 11, 2020

$$\text{Proration fraction} = \frac{(\text{June 11} - \text{June 1}) + 1}{30} = \frac{11}{30}$$

- New Partial Premium = $\$800 \times \frac{11}{30} = \293.33
- New Partial APTC = $\$500 \times \frac{11}{30} = \183.33

Household A starts a new policy on June 12, 2020 with a new monthly premium of \$600 and is now only eligible for \$4,800 APTC per year (or \$400 per month).

Mid-month start on June 12, 2020

$$\text{Proration fraction} = \frac{(\text{June 30} - \text{June 12}) + 1}{30} = \frac{19}{30}$$

- New Partial Premium = $\$600 \times \frac{19}{30} = \380.00
- New Partial APTC = $\$400 \times \frac{19}{30} = \253.33

Example FFE Proration (continued)

| Household A | Proration |
|------------------------------------|-----------------|
| Old Policy Ends 6/11/2020 | |
| Financial Effective Start Date | 01/01/2020 |
| Financial Effective End Date | 06/11/2020 |
| Monthly Premium | \$800 |
| Monthly APTC | \$500 |
| Partial Month Start Date | 06/01/2020 |
| Partial Month End Date | 06/11/2020 |
| Partial Month Premium | \$293.33 |
| Partial Month APTC | \$183.33 |
| New Policy Begins 6/12/2020 | |
| Financial Effective Start Date | 06/12/2020 |
| Financial Effective End Date | 12/31/2020 |
| Monthly Premium | \$600 |
| Monthly APTC | \$400 |
| Partial Month Start Date | 06/12/2020 |
| Partial Month End Date | 06/30/2020 |
| Partial Month Premium | \$380.00 |
| Partial Month APTC | \$253.33 |
| Total APTC Paid for Month | \$436.66 |

APTC does not exceed household eligibility

The household is only eligible for \$500 APTC per month. Using FFE proration method, total APTC will never exceed the monthly APTC allotment.

Disputes

SBE Dispute Reporting

- The SBE receives two (2) reports from ER&R each month:
 - Dispute Disposition Report (DDR)
 - State-Specific Report (SSR)
- ER&R sends the DDR to the SBE on the **second business day of the month**. This report includes all disputes issuers submitted to CMS during the previous month's reporting period.
- ER&R sends the SSR in the **second week of the month**. This report summarizes dispute activities in the previous month's reporting period.

| Disputes Submission Period | DDR Delivery to SBE | SSR Delivery to SBE |
|----------------------------|---------------------|---------------------|
| 08/01/2020 to 08/31/2020 | 09/02/2020 | 09/14/2020 |

Dispute Disposition Report

- The SBE should review persistent disputes on the DDR and work with their issuers to reconcile the disputes.
- The DDR includes the disputes with the following additional fields:
 - Persistent Dispute – Type of Persistence (column AP)
 - Persistent Dispute – Original Dispute Processed Date (column AQ)
- The SBE should focus on resolving the oldest persistent disputes by filtering the DDR as follows:
 - Unselect **Blanks** in column AP.
 - Sort column AQ by oldest disputes first.
 - Apply other filters as needed (e.g., Cover Period Start/End Dates).

State-Specific Report

- SBEs can apply filters on any tab of the SSR to view data by coverage year, issuer, disposition code, and more.
- The report contains the following three (3) tabs:
 - Dispute Summary – Shows the current month’s details and trending for the last three (3) months
 - Payment Impact – Conveys the APTC impact on the policies and coverage periods disputed in the reporting period
 - By Type – Offers a way to review the dispute activity based on how the dispute was categorized

Persistent Dispute Research Template

- Upon receiving the encrypted Persistent Dispute Research Template, the SBE should send an email acknowledging receipt of the template to the ER&R Support Center at sbeerrsupportcenter@cognosante.com.
- The SBE should review persistent disputes on the research template and work with their issuers to reconcile the disputes.
- The SBE should not remove or add columns to the spreadsheet.
- If the SBE finds no discrepancy between the issuer and SBE systems, the SBE should check with the issuer regarding why the dispute was submitted to CMS.
- CMS compares the disputes the issuer has submitted with the latest SBMI the SBE submitted for the policies.
- The SBE must email the completed template to sbeerrsupportcenter@cognosante.com within 2–4 weeks.
- The SBE must send SBMI updates for prior year disputes to CMS for the disputes to be resolved.

Multi-Year SBMI Submissions

Multi-Year SBMI Submissions

| Submission Month | Calendar Year | 2020 | | | 2021 | | | | 2022 | | | | |
|------------------|---------------|-------|------|-------|-------|------|------|-------|--------|-------|------|------|-------|
| | Coverage Year | 2020 | 2019 | 2018 | 2021 | 2020 | 2019 | 2018 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Jan | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| Feb | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| Mar | | Blue | Red | Black | Green | Blue | Red | | Purple | Green | Blue | | |
| Apr | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| May | | Blue | Red | Black | Green | Blue | Red | | Purple | Green | Blue | | |
| Jun | | Blue | Red | Black | Green | Blue | Red | Black | Purple | Green | Blue | Red | Black |
| Jul | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| Aug | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| Sep | | Blue | Red | Black | Green | Blue | Red | | Purple | Green | Blue | | |
| Oct | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| Nov | | Blue | Red | | Green | Blue | | | Purple | Green | | | |
| Dec | | +2021 | Red | Black | +2022 | Blue | Red | | +2023 | Green | Blue | | |

Submission Schedule:

- Current Plan Year (submit monthly)
- Current Plan Year -1 (submit monthly through June, and then quarterly beginning September)
- Current Plan Year -2 (submit quarterly)
- Current Plan Year -3 (submit yearly)
- Current Plan Year -4 (submit yearly)

Note: This timeline is subject to change as CMS will continue to perform analysis and consult with the SBEs to determine if adjustments are needed.

Premium Guidance

Temporary APTC Reporting Guidance

- On August 4, 2020 CMS released guidance giving issuers the flexibility to provide premium credits (with state regulator and SBE approval)
<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/Premium-Credit-Guidance.pdf>
- The Internal Revenue Service (IRS) and the Treasury Department have advised CMS that, under IRS regulations, Exchanges must accurately report enrollee premiums, as reduced by any credits, to enrollees on the annual IRS Form 1095-A, *Health Insurance Marketplace Statement*, and to the IRS.

Temporary APTC Reporting Guidance (cont'd)

- For issuers providing these credits, SBEs should include the reduced premium reflecting the issuer's premium credit in the 'monthly total premium amount' on the SBMI. The 'monthly APTC amount' on the SBMI should not exceed the EHB portion of the premium.
 - The SBE should also report this reduced total premium and APTC to IRS.
 - APTC cannot be greater than the monthly premium amount on the SBMI
- If you have any further questions or would like to discuss this further on a call, please feel free to reach out to us via email at fmcc@cms.hhs.gov.

Production Payment Cycle Files

Production Payment Cycle Files Update

PROD Cycle Milestones September 2020 – November 2020

| PROD Cycle Milestones | September Payment Cycle | October Payment Cycle | November Payment Cycle |
|---|-------------------------|-----------------------|------------------------|
| SBE Submission Window | 8/1 – 8/10 | 9/1 – 9/10 | 10/1 – 10/10 |
| CMS Freeze Period | 8/11 – 8/15 | 9/11 – 9/15 | 10/11 – 10/15 |
| Transmit EPS Extracts to SBEs & Issuers (All Years) | 8/21 | 9/21 | 10/21 |
| 1A Manual Workbook Submission* | | 9/18 – 9/21 | |
| SBE Dispute Disposition Report (DDR+) transmitted | NLT 9/4 | NLT 10/5 | NLT 11/5 |
| Transmit 820 PPR to SBEs & Issuers | NLT 9/15 | NLT 10/15 | NLT 11/15 |
| Treasury Funds Transmittal | 9/21 | 10/22 | 11/20 |
| Transmit HIX 820 to Issuers | NLT 9/30 | NLT 10/31 | NLT 11/30 |

*If applicable

Key: Milestone Completed

Reference Documents

SBE Reference Documents

- SBE zONE page: <https://zone.cms.gov/community/exchange-community>
- Examples of documentation available:
 - ICD: (UPDATED) <https://zone.cms.gov/document/state-internal-control-document-icd>
 - SBE PBP Transition Guide: <https://zone.cms.gov/document/sbe-issuer-transition-guide>
 - Payment Disputes Technical Reference Guide
<https://zone.cms.gov/document/sbe-payment-disputes-technical-reference-guide>
 - Enrollment and Payment Files Chart: https://zone.cms.gov/document/caltid-doc155988_sbm-policy-based-payment-pbp-files-chart
 - PBP Transition FAQ: <https://zone.cms.gov/document/sbe-faqs-pbp-transition>
 - CSR Operations FAQ: <https://zone.cms.gov/document/csr-operations-faq>
 - Temporary Manual Adjustment Scenarios:
<https://zone.cms.gov/document/temporary-manual-adjustments-scenarios>

SBE Issuer Reference Documents

- SBE Issuer Information page: <https://zone.cms.gov/wiki/sbm-issuer-information>
- Examples of documentation available:
 - SBE Issuer Interface Control Document (ICD) (UPDATED)
 - SBE PBP Transition Guides
 - SBE Issuer PBP FAQs
 - SBE Payment Disputes Technical Reference Guide
 - Issuer Dispute Form
 - SBE Disputes Disposition and Detail Code List
 - Previous Issuer Meeting Presentation Slides
 - CMS HIX820 Companion Guide

Q&A



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