

SBE Transition Policy-Based Payments



February 2021

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Agenda

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- SBE PBP Enrollment Data Collection Process Overview
- SBE Enrollment Data Transmission Process
- Phases of PBP Transition
- Transition to PBP: Recommended Approach
- Resources
- Q&A

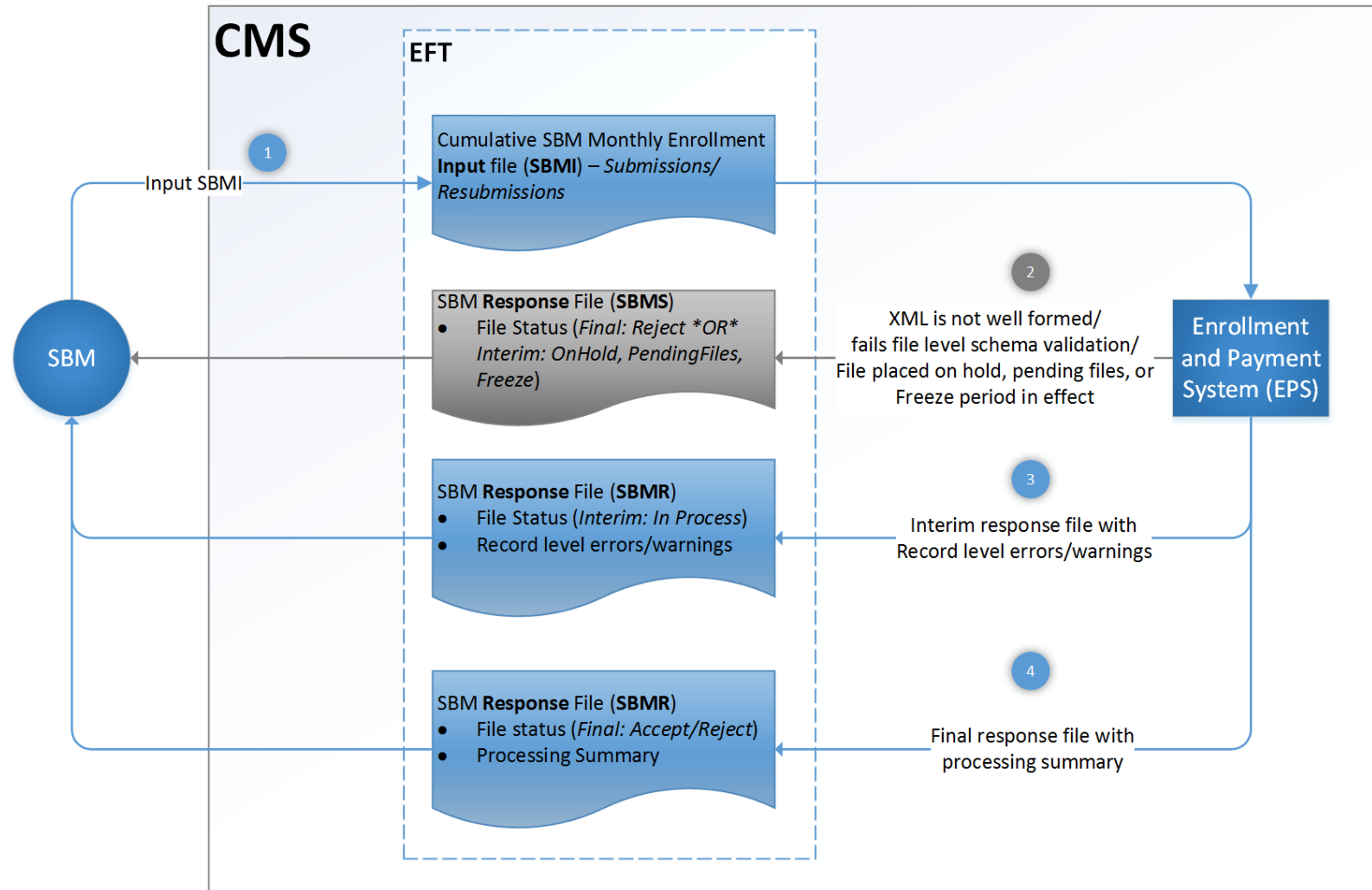
SBE Policy-Based Payment Introduction

- CMS makes APTC payments based on policy level enrollment data in the SBE's enrollment system. We call this policy-based payments (PBP).
 - CMS transitioned FFE issuers to PBP in 2016.
 - CMS has transitioned SBE issuers in 15 states.
- Prior to the PBP transition, monthly APTC payments were based on manual payment workbooks that reported aggregate totals at the QHP level. These were submitted by either the SBE or SBE issuers.
- SBEs play a crucial role in the PBP process for SBE issuers, since they are the source of truth for enrollment data. CMS relies on SBEs to provide their policy-level enrollment data to CMS to inform monthly payments to SBE issuers.

SBE PBP Enrollment Data Collection Process Overview

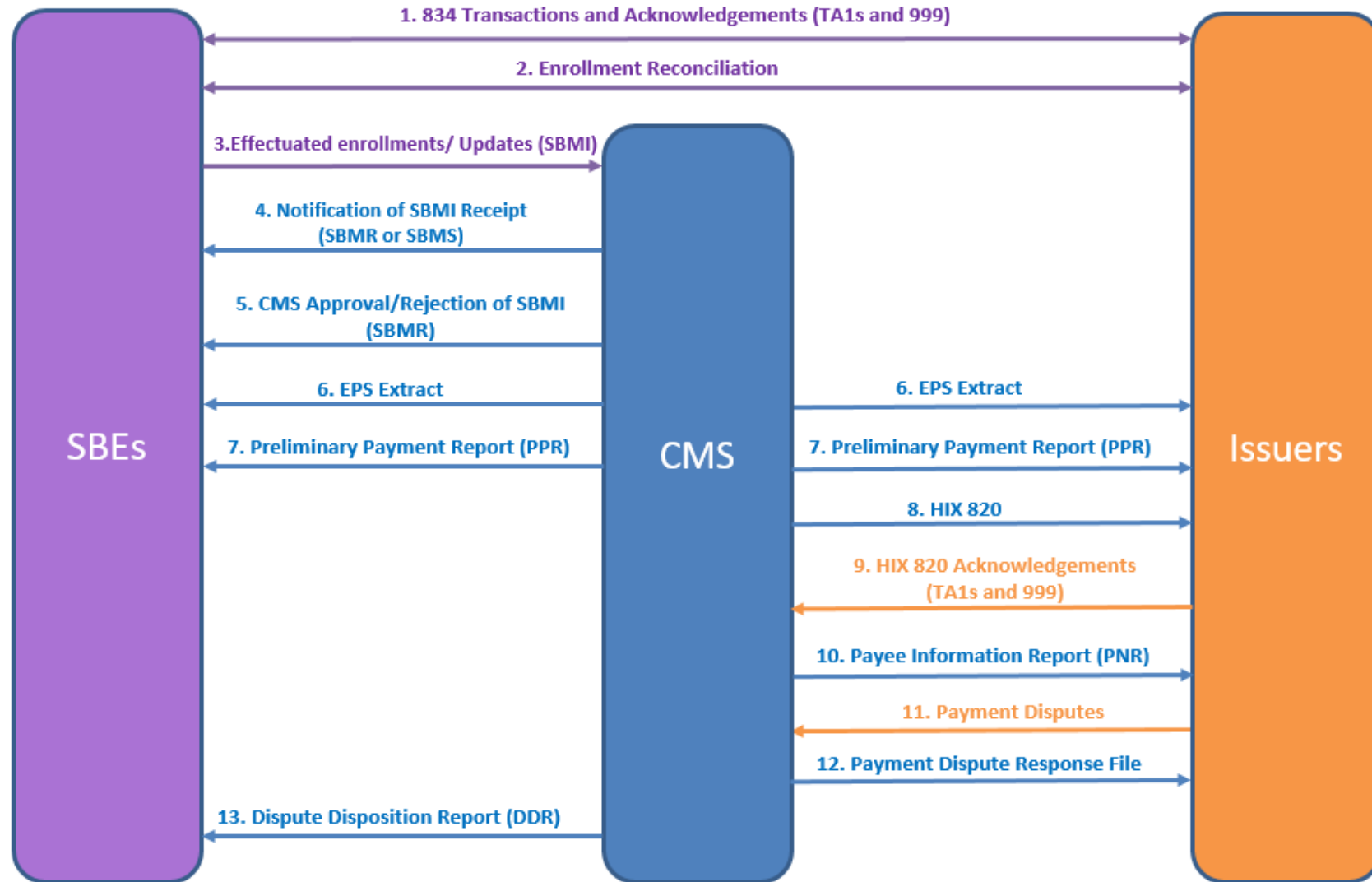
- SBEs reconcile and validate enrollment data with SBE issuers to ensure enrollment data is accurate for policy-based payment.
- SBEs transmit policy-level enrollment data to CMS via a State-based Marketplace Inbound (SBMI) XML file on a monthly basis.
 - The SBMI may include initial enrollments (initials or pending consumer payment). CMS uses initials to make early-year payment adjustments to issuers.
- CMS receives and processes SBE enrollment data (SBMI) at the policy level each month in a cycle that coincides with the FFE monthly payment cycle.
- As in the FFE, payments are made to SBE issuers based on effectuated enrollments.
- Enrollment reconciliation is critical between SBEs and SBE issuers.
- A payment dispute reporting process is in place to allow issuers to communicate payment disagreements with CMS.

SBE Enrollment Data Transmission Process



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SBE Enrollment Data Transmission Process



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Transition to PBP: Manual Workbooks

- During the PBP transition, CMS collects manual workbooks from issuers indicating APTC amounts owed for each plan.
- Issuers that participated in the FFE in 2014 or 2015 already have experience sending manual payment workbooks to CMS.
- SBE and CMS ask issuers to begin submitting manual payment workbooks in fall 2021 to ensure that issuers can submit successfully.
 - This data will be compared to the FFE enrollment data/actual PBP payment amounts to assess accuracy.
- CMS will begin to pay issuers in January 2022 using the issuer submitted manual payment workbooks, which will continue to be submitted into 2022.
- Manual workbook submission ensures that issuer cash flow is not at risk during the SBE transition.

Phases of SBE PBP Transition

- IMPL testing (optional)
- Production Readiness (ProdR) Data Validation
- Production (Prod) with manual workbook validation and adjustments
- Full transition: CMS reverses past adjustments; issuers are paid entirely on PBP

Transition to PBP: IMPL Testing (Optional)

- The SBE sends data sets to CMS based on samples that CMS provides to begin assessing their SBMI submission
- This testing is optional and is used only if the SBE has a test environment available

Transition to PBP: Production Readiness (ProdR) Data Validation

- The SBE sends production data from their enrollment system to the CMS ProdR region
- Even though production data is sent, it will only be used for payment data validation and will not be used to make actual PBP payments to issuers
- Data validation determines the SBE's SBMI-generation functionality and whether CMS can ingest files as well as verify the content of the files to determine if the data ingested and sent to CMS matches the SBE-FP data previously sent to the SBE
- CMS compares the SBMI data sent to ProdR with another source (the manual payment workbooks) to assess the data
- SBE should work towards loading SBE-FP enrollment data sent to the SBE in August through October. This data can be used to auto-enroll SBE-FP Plan Year 2021 enrollees into coverage in the SBE for Plan Year 2022.
- Transitioning SBEs loading 2021 SBE-FP enrollment data should use the data to test creation and submission of SBMIs to CMS in fall 2021 to a test environment (ProdR)

Transition to PBP: Production (Prod) with Manual Workbook Validation and Adjustments

SBEs should aim to send an SBMI with production 2022 SBE data from their enrollment system to the CMS Prod region for the January 2022 payment cycle between December 1 and December 5, 2021.

- Based on the status of SBMI data submissions, CMS will consult with the SBE to determine whether the SBE should send the December SBMIs for January 2022 payment to Prod-R or Prod
- CMS will validate the January cycle SBMI data formatting and general alignment with issuers based on the manual payment workbook amounts
- If the SBE submits the SBMI to PROD-R, CMS will make payment based on the manual workbooks until the data are aligned enough to begin submission to Prod
- CMS continues to collect manual payment workbooks from issuers and adjusts total calculated PBP to the amounts in the workbook

Transition to PBP: Full Transition

After beginning submission to Prod (in January or subsequent payment cycle):

- The SBE will be switched to the initial phase of PBP where CMS may make temporary manual payment adjustments to the manual payment workbook amounts until PBP and the workbooks are aligned.
- When ready, full transition will complete and temporary manual payment adjustments will be reversed. The SBE will be paid exclusively using the SBMI. Manual payment workbooks, which at this point will be used for validation only, will cease when agreed upon with the SBE.

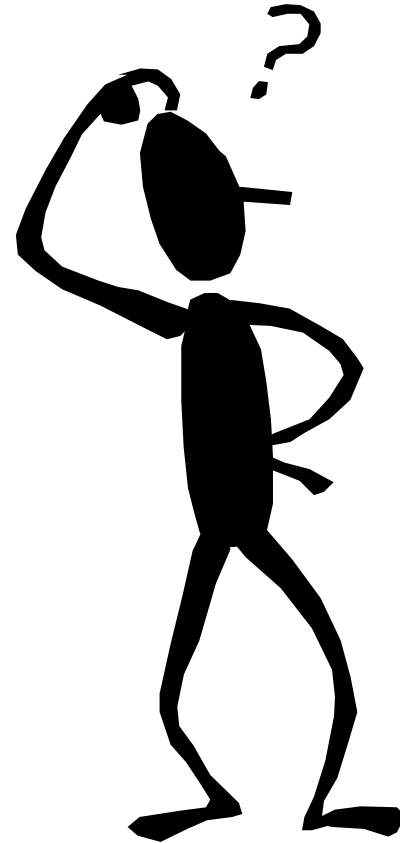
Resources

- Our zONE page is where CMS shares documentation with SBEs
<https://zone.cms.gov/community/exchange-community>

In this community you can view all archived SBE related documents, office hour slide decks, and other relevant documentation. Some key documents we advise you explore are below.

- FAQs: https://zone.cms.gov/system/files/documents/sbe_pbp_faq_12-2019.pdf
- State ICD: <https://zone.cms.gov/document/state-internal-control-document-icd>

Questions



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