DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

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FAQs on 2015 Benefit Year Cost-Sharing Reduction Reconciliation Method Selection

Q: In guidance posted for issuers on February 13, 2015, [1] HHS extended until April 30, 2016, the deadline for issuers to decide whether to use the standard methodology to reconcile 2014 benefit year cost-sharing reductions. May issuers make a similar election at that time for the 2015 benefit year?

A: Yes. Although issuers must notify HHS of their choice of methodology for the 2015 benefit year by March 31, 2015,[2] under our recent guidance, issuers that previously selected the simplified methodology may switch to the standard methodology up until the deadline for submitting cost-sharing reduction reconciliation data on April 30, 2016. As we noted in that guidance, issuers that previously selected the standard methodology may not switch back to the simplified methodology.

Q: HHS said issuers must notify HHS of the methodology they will use for the 2015 benefit year by March 31, 2015. May the issuer elect to use the simplified methodology for the 2015 benefit year, but then use the standard methodology for 2014?

A: No. Under 45 CFR 156.430 (c)(3)(iii), a QHP issuer may not select the simplified methodology for a benefit year if the QHP issuer did not select the simplified methodology for the prior benefit year.

1 https://www.regtap.info/uploads/library/APTC_CSR_Recon_timing_guidance_5CR_021315.pdf

2 https://www.regtap.info/uploads/library/APTC_CSR_Rec_UpdateDeadline_5CR_121214.pdf