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

Date: April 2, 2015

FAQs on 2015 Cost-Sharing Reduction Reconciliation Simplified Methodology Member Month Credibility Threshold

Q: Can issuers count members enrolled after February 15, 2015 when estimating whether a standard plan meets the credibility threshold required for the cost-sharing reduction reconciliation simplified methodology?

A: Issuers using the simplified methodology for the 2015 benefit year must have the equivalent of 12,000 member months in the standard plan, on or off the Exchange, or a particular subset of the standard plan, if applicable, for the entire benefit year. For 2015, we will consider this standard met if at least 12,000 member months are accumulated for enrollees, each of whom applied to the plan no later than February 22, 2015 and remained in the plan until the end of the benefit year on December 31, 2015.

This time period allows issuers to consider all those people who applied by the February 15, 2015 open enrollment deadline, but whose coverage may not have been effectuated until after February 15, 2015, postponing their start date until April 1, 2015, as long as the members were in the plan for the entire benefit year. This also allows issuers to include members who received a special enrollment period allowing them to enroll through February 22, 2015, because Exchange issues prevented them from filing an application by February 15, 2015, with the result that their coverage start date was also postponed until April 1, 2015.

Issuers that selected the simplified methodology but do not meet the foregoing 12,000-member month credibility standard must use the Actuarial Value simplified methodology described at 45 CFR 156.430 (c)(4) (v).

Q: What is the credibility threshold that issuers must meet to reconcile cost-sharing reductions under the simplified methodology for the 2014 benefit year?

A: Guidelines for meeting the member month threshold for the simplified methodology in the 2014 benefit year have not changed. Issuers should assess credible enrollments using deadlines in the following guidance:
https://www.regtap.info/uploads/library/APTC_FAQ_CSRRecon_MemberMnths_5CR_011315.pdf