END TO END PAYMENT FLOW/PAYMENT PROCESS TIMELINE

September 10, 2013

Financial Management and
Payment Process Series I

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

WWW.REGTAP.INFO

Agenda

- Series Overview
- Introduction
- Purpose
- Overview of Advance Payment of the Premium Tax Credit/ Cost-Sharing Reductions (APTC/CSR)
- APTC/CSR End-to-End Payment Process
- Monthly Payment Process Timeline
- Questions
- Resources
- Closing Remarks

Series Overview

- This series included six (6) unique sessions to provide QHP Issuers and other entities with a fundamental understanding of the financial management and payment process.
- The later sessions provide operational and technical guidance.

Series Overview (continued)

Session	Target Audience	Date of Session	Session Title
1	FFM Issuers	July 30, 2013	Overall Series Description and End to End Payment Flow/Payment Process Timeline
1	SBM Issuers	September 10, 2013	Overall Series Description and End to End Payment Flow/Payment Process Timeline
2	FFM and SBM Issuers	August 5, August 9, and August 26, 2013	CSR Advance Payment Rates Calculation and Review/Approval Process
3A	FFM Issuers	August 12, 2013	834 Transactions: Fundamentals of the 834
3B	FFM Issuers	August 19, 2013	834 Transactions: Advanced Scenarios
3C	FFM Issuers	September 17, 2013	834 Transactions: Cumulative Q&A Session
4	FFM and SBM Issuers	September 9, 2013	Payment Processing Overview and Reporting (HIX 820)

Introduction

Session 1

- The Financial Management and Payment Process Series has been providing QHP Issuers and other entities with program and operational guidance for payment of the APTC/CSR and collection of FFM User Fees (FFM UF) to support the premium stabilization programs.
- This was the first webinar in a multi-part series. It is being repeated today, targeting the SBM population.

Session Guidelines

- This is a ninety-minute webinar session.
- There will be a Q&A session at the end of each sub-section of the presentation.
- Documented Q&As will be posted in the coming weeks.

Target Audience

Primary-

- State Based Marketplace (SBM) Issuers
- State Based Marketplaces (SBMs)

Secondary-

- Federally Facilitated Marketplace (FFM) Issuers
- CO-Ops
- Stand Alone Dental Plans
- Pharmacy
- Benefit-Managers,
- Vendors/TPAs and Associations

Purpose

At the end of this session, participants will be able to identify the processes within the APTC/CSR End-to-End Payment Process and identify the tasks associated with the timeline.

APTC / CSR Overview

APTC/CSR Overview

- Beginning in 2014, individuals who enroll in Qualified Health Plans (QHPs) through individual Marketplaces may receive premium tax credits to make health insurance more affordable.
- The Notice of Benefit and Payment Parameters for 2014 supplements previous rulemaking on APTCs.

APTC/CSR Overview (continued)

- The Health Insurance Premium Tax Credit Rule (77 Fed. Reg. 30,377 (May 23, 2012)) sets the standards for determining a taxpayer's eligibility for premium tax credits and for computing the premium tax credit.
- The Exchange Establishment Rule (77 Fed.Reg. 18,310 (Mar. 27, 2012)) sets some basic standards for Marketplaces and QHP Issuers related to the administration of APTCs and cost-sharing reductions (CSRs).

APTC/CSR Overview (continued)

- Sec. 1402 of the ACA requires QHP Issuers to provide cost-sharing reductions (CSR) to eligible low-income and Indian QHP enrollees.
- Marketplaces will make advance determinations of premium tax credit eligibility for individuals enrolling in coverage through the Marketplace, and notify the QHP Issuer of the amount of APTC that the enrollee will receive.
  - The QHP Issuer would then reduce the premium charged to the individual by the amount of the actual APTC selected by the enrollee.

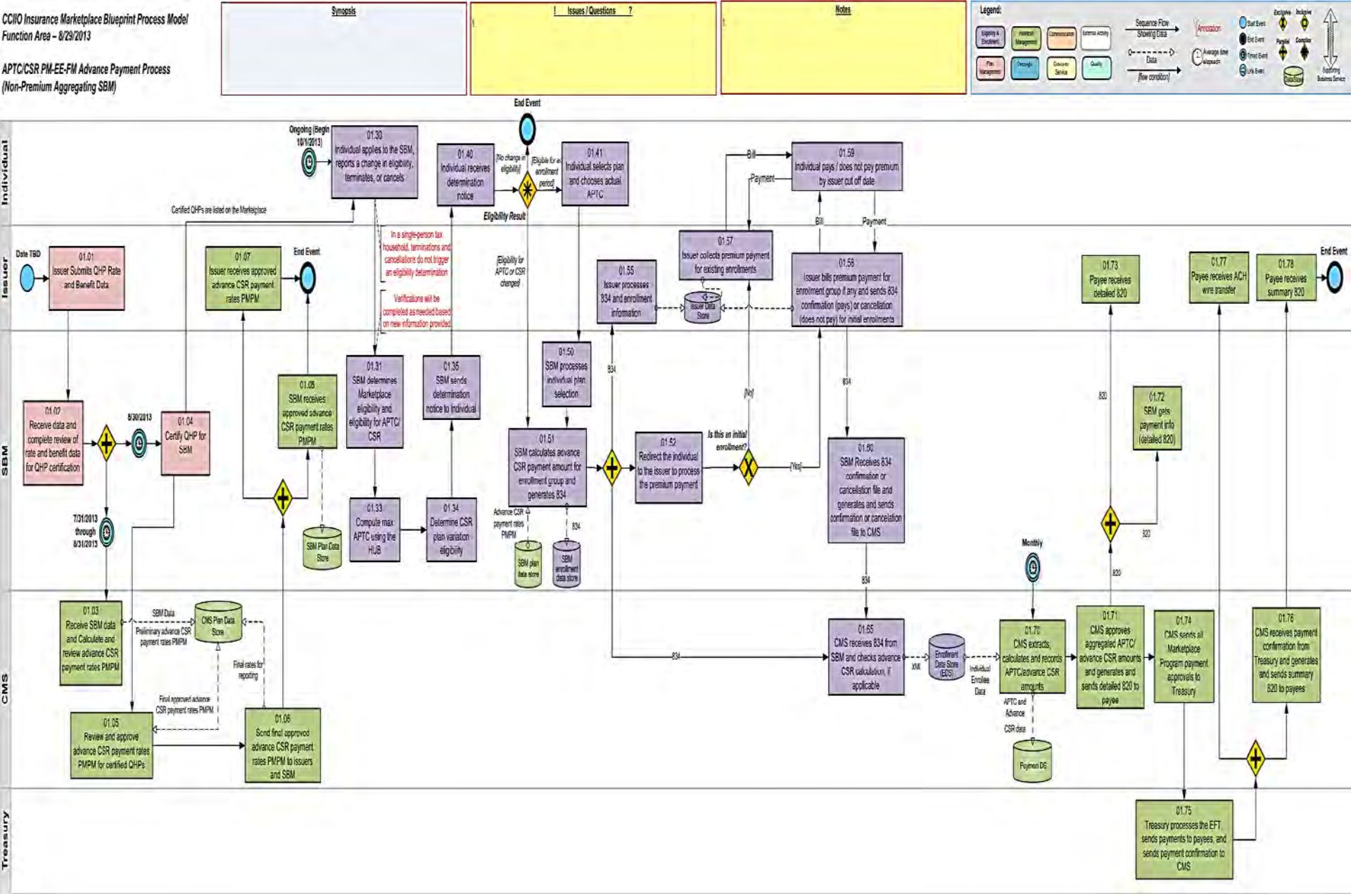
APTC/CSR Overview (continued)

- QHP Issuers are required to offer plan variations that meet certain actuarial value and cost-sharing requirements.
- HHS will make monthly advance payments to QHP Issuers to cover the cost of providing cost-sharing reductions offered under the plan variations. The CSR advance payments will be reconciled after the end of the coverage year.

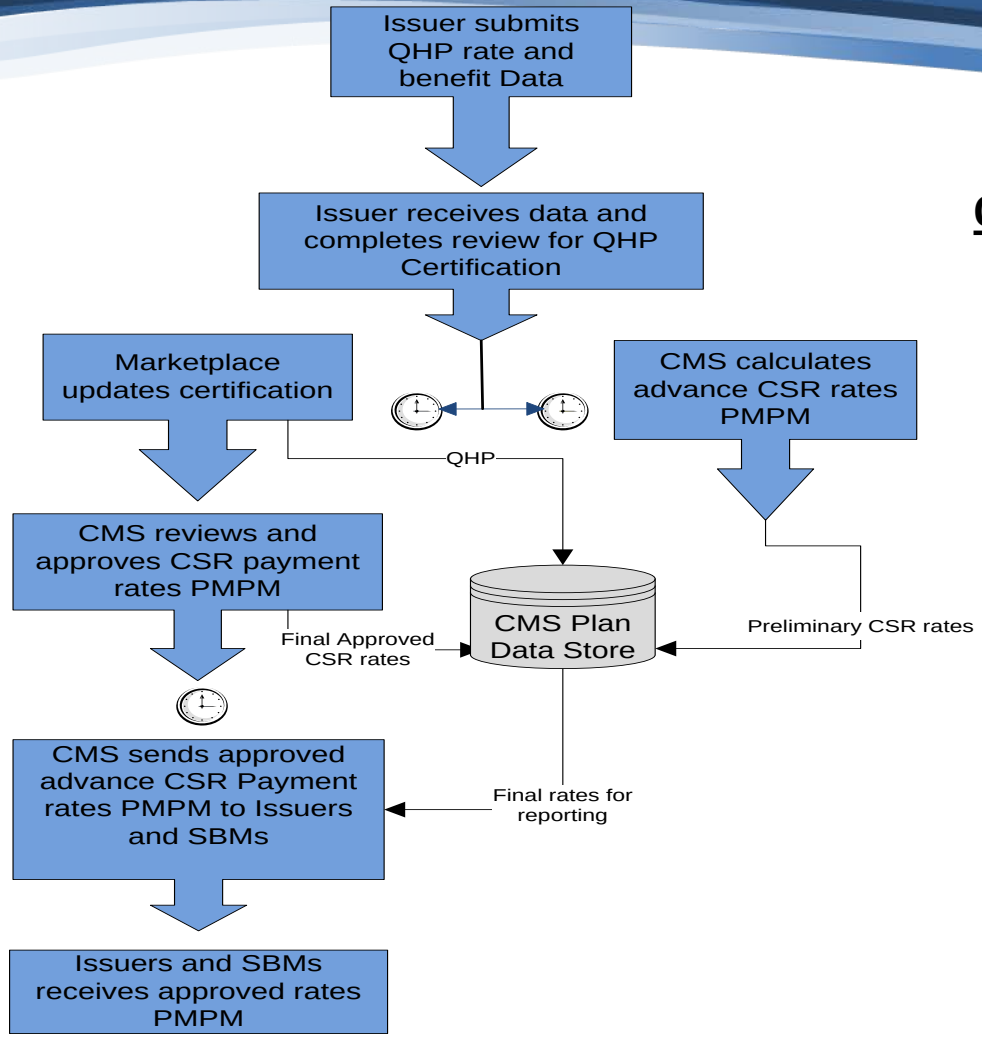
APTC / CSR End-to-End Payment Process

CCIIO Insurance Marketplace Blueprint Process Model
Function Area – 8/29/2013

APTC/CSR PM-EE-FM Advance Payment Process
(Non-Premium Aggregating SBM)



Certification and CSR Calculation*



QHP Issuer

- Submits QHP rate and benefit data to offer plan on the Marketplace
- Receives approval of advance CSR payment rates PMPM

Marketplace

- Completes review of rate and benefit data
- Certifies QHP

CMS

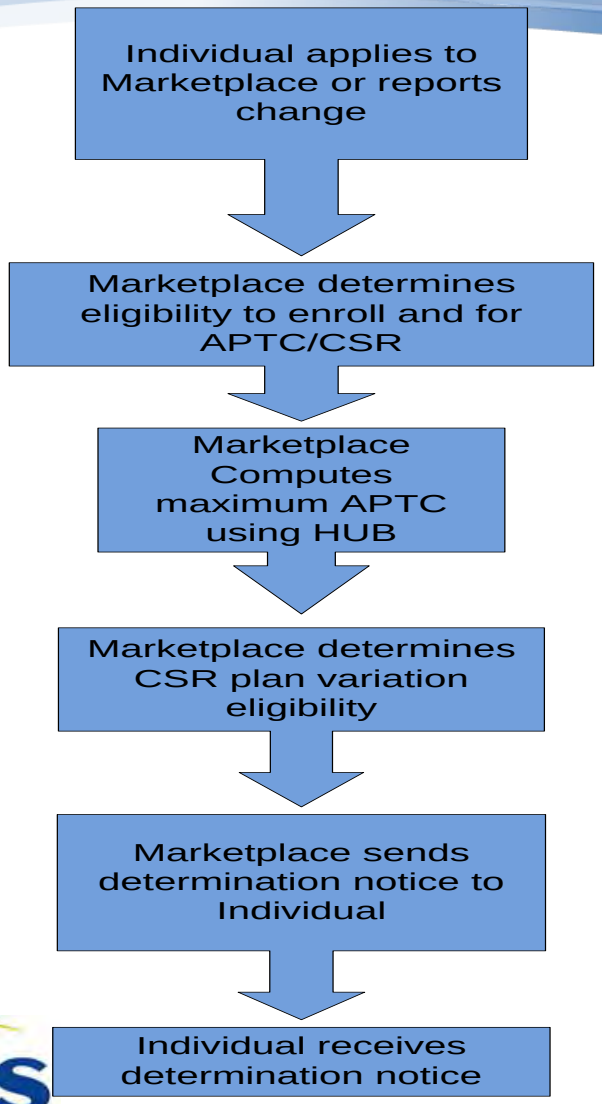
- Receives, reviews, and approves advance CSR payment rates PMPM
- Sends final advance CSR payment rates PMPM to QHP Issuers and SBMs

*Process applicable for instances in which the issuer collects the premium.

Certification and CSR Calculations Scenario

- Within the determined timeline a QHP Issuer accesses HIOS and completes the system registration.
- QHP Issuer submits required data for CSR certification (through HIOS, SERFF, or the state proprietary system).
- CMS reviews the data and determines the advance CSR payment rates per member per month (PMPM).
- If Issuer's QHP is not certified the plan will not be offered on the Marketplace and will not be open to enrollment.

Eligibility



INDIVIDUAL

- Applies through Marketplace or reports a change
- Receives determination notice

MARKETPLACE

- Determines eligibility for enrollment in a QHP, APTC and CSR, including amount of APTC and CSR plan variation
- Sends Determination Notices
- Processes individual QHP selection
- Calculates actual premium/APTC/CSR for enrollment groups

Eligibility Scenario

- On December 2, 2013, during the initial open enrollment period, John Anyman completes the enrollment application process on the Federally-facilitated Marketplace (SBM) website for himself.
- John's household income is equal to 170% of the Federal Poverty Level (FPL) for his family size of one.
- John is determined eligible for enrollment in a QHP and is determined eligible for APTC and CSR.
- John enrolls in a QHP with an 87% silver plan variation with an enrollment effective date of January 1, 2014.
- John is determined eligible for a maximum monthly APTC amount of $100 and chooses to receive the maximum $100 in actual APTC.

Enrollment/SBM Flow*

INDIVIDUAL

- Selects QHP or QHP plan variation and actual APTC
- Pays premiums

QHP ISSUER

- Processes 834 transaction and enrollment information
- Bills premium payments for enrollment group
- Collects premium payment from enrollment group

SBM

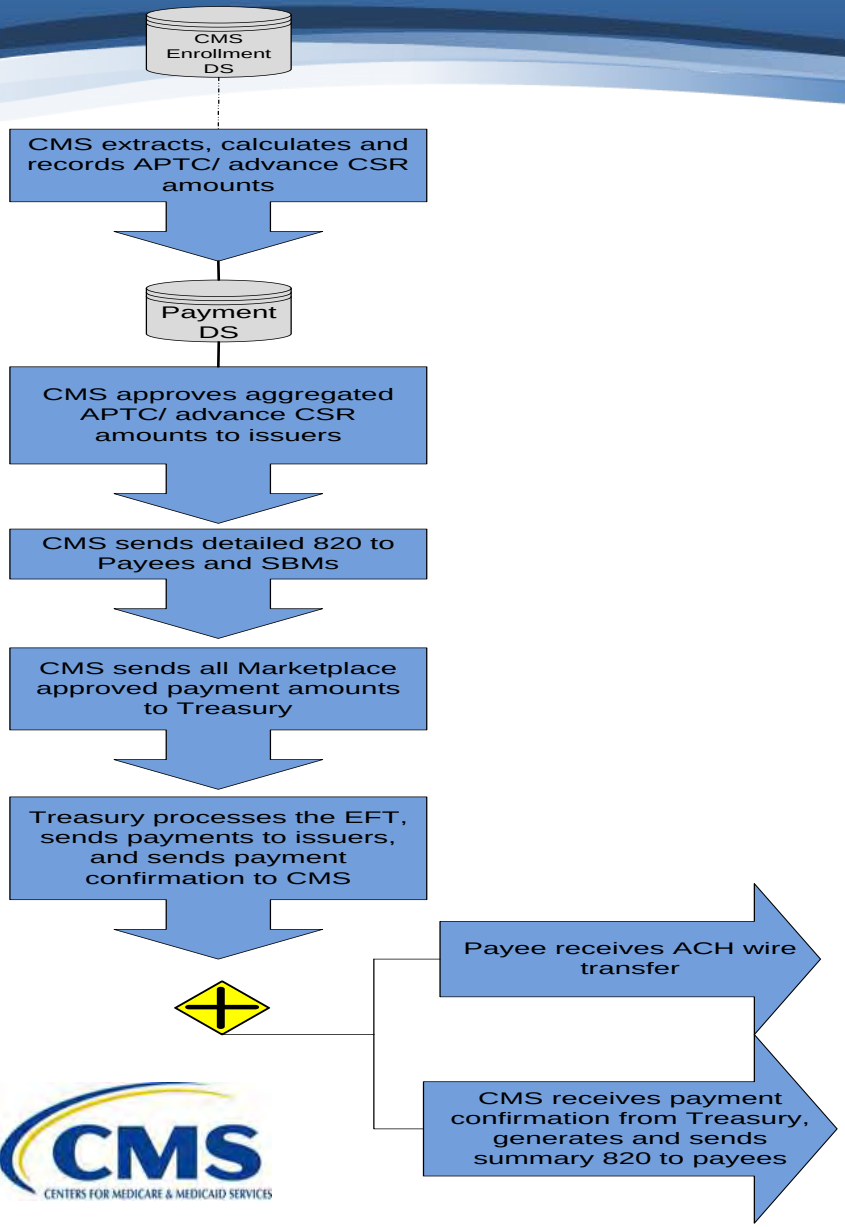
- Processes individual plan selection
- Calculates advance CSR payment amount for enrollment group and generates 834
- Redirects individual to the Issuer to process premium payment

*Process applicable for instances in which the Issuer collects the premium.

Enrollment Scenario

- Initial enrollment information is sent to the QHP Issuer via an 834 transaction.
- The QHP Issuer receives the 834 enrollment transaction and confirms receipt of the transaction by sending a 999 acknowledgement to the SBM.
- John Anyman makes the payment by the cutoff date to the selected QHP Issuer. The Issuer adds the individual into their system with the correct benefit, plan, etc.
- Once the enrollment processes are complete and coverage is effectuated, the QHP Issuer sends an 834 effectuation transaction to the SBM confirming enrollment and sends a welcome packet to the newly enrolled subscriber, John Anyman.

Monthly Payment Process



CMS

- Extracts monthly data from the Enrollment Data Store
  - APTC/advance CSR amounts
- Approves aggregated APTC and advance CSR amounts
- Sends detailed-level 820 to Payees and SBMs
- Sends program payment approvals to Treasury

TREASURY

- Sends payments to Payees
- Sends confirmations to CMS

PAYEE

- Receives detailed 820 transaction from CMS
- Receives ACH wire transfer from Treasury
- Receives summary 820 transaction from CMS

SBM

- Receives detailed 820 transaction from CMS

Monthly Payment Scenario

- Using the 834 data stored in the CMS enrollment data store (EDS), CMS calculates the APTC/advance CSR payment amounts.
- Upon processing of monthly payment amounts CMS will send the detailed 820 to the Payees and SBMs.
- CMS sends payment file to Treasury to process the monthly EFT.
- Treasury processes the EFT.
- The Payee receives the ACH wire transfer from Treasury as well as the summary 820 from CMS.

Payment Process Timeline

Timeframe	Key Activities
Summer 2013	Go Live – Initial Functionality for Advance CSR calculation
Late Summer 2013	• Go Live – Full Functionality for Advance CSR calculation • FFM and SBM QHP certified data is available for internal review
Fall 2013	• CMS notifies all Issuers of QHP Certification Decisions • CSR Advance payment estimates are sent to States and QHP Issuers • QHP Issuer banking information collection begins
October 1, 2013	• Go Live- 834 Enrollment System • Open enrollment begins
Late Fall 2013	QHP Issuer Banking Information Completed

Payment Process Timeline (continued)

Timeframe	Key Activities
December 2013	• Enrollment cutoff for January payment cycle • Enrollment reconciliation begins • First monthly payment cycle begins
January 2014	• Payment calculation verifications complete • Treasury notified to initiate first APTC/ CSR payments • First APTC/CSR payments to QHP Issuers disbursed • QHP Issuers report payment discrepancies

Questions

Resources

Resource	Resource Link
Centers for Medicare & Medicaid Services (CMS)	http://www.cms.gov/
U.S. Department of Health & Human Services	http://www.hhs.gov/
CMS Regulations and Guidance	http://www.cms.gov/Regulations-and-Guidance/Regulations-and-Guidance.html?redirect=/home/regsguidance.asp
HealthCare website	http://www.healthcare.gov/
ASC X12 – for approved Implementation Guides	http://www.x12.org
Registration for Technical Assistance Portal (REGTAP)	www.REGTAP.info

Closing Remarks