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Partial Months of Coverage Policy



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Partial Months of Coverage Policy

- For partial months of coverage resulting from a mid-month termination (ex: death) or a mid-month add (ex: birth), CMS will pay partial month APTC and advance CSR to FFM issuers for the partial months of coverage in plan year 2015.
- FFM issuers must also apply a standard proration methodology to calculate premium, APTC, advance CSR, and user fee for partial months of coverage.

Premium/APTC/advance CSR/user fee for full month of coverage * (# days of coverage/# days in month) = partial month premium/APTC/advance CSR/user fee

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Partial Months of Coverage Policy, cont'd

- FFM will send 834 transactions to FFM issuers with the **full month** (28-31 days depending on month) amounts for total premium/individual responsibility amount/APTC /advance CSR/user fee.
  - Benefit effective/termination date will show mid-month dates
  - Financial information will show effective dates 1st of following month
- After receipt of an 834 indicating there is a partial month of coverage, FFM issuers must apply the standard proration methodology to calculate the partial month premium/APTC/advance CSR/user fee.
- FFM issuers must apply the partial month of coverage calculation so that consumers will be appropriately charged the individual responsibility amount of their total premium.

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Partial Months of Coverage Policy – Example 1: Termination

- Policy effective 1/1/2015; Full month total premium of $300 ($10.50 user fee), APTC of $200, and advance CSR of $50 was sent by the FFM to FFM issuer on the initial 834.
- Enrollment group terminates effective 3/12/2015; FFM sends termination 834 ending coverage effective 3/12/2015.
- FFM issuer calculates the partial month amount of premium, APTC, advance CSR, and user fee using the end dates contained in the 834 transaction. For March, the partial month payment amounts should be:
  - Premium ($300/31 days) * 12 days of coverage = $116.13
  - APTC ($200/31 days) * 12 days of coverage = $77.42
  - Advance CSR ($50/31 days) * 12 days of coverage = $19.35
  - User fee ($10.50/31 days) * 12 days of coverage = $4.06

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Partial Months of Coverage Policy – Example 2: Add

- Mother and father policy effective 1/1/2015; Full month total premium of $350 ($12.25 user fee), APTC of $250, and advance CSR of $75 was sent by the FFM to the FFM issuer on the initial 834.
- Baby is added to the policy effective 4/4/2015; FFM sends CiC term/initial 834. New initial shows new full month total premium to be $400 ($14 user fee), APTC to $300, and full month advance CSR to $100, and adding baby effective 4/4/2015.
- FFM issuer calculates the partial month amount of premium, APTC, and advance CSR using the date contained in the initial 834 transaction. For April, the partial month amounts should be:
  - Premium:
    - ($350/30 days) * 3 days of coverage = $ 35.00
    - ($400/30 days) * 27 days of coverage = $ 360.00
  - APTC:
    - ($250/30 days) * 3 days of coverage = $25.00
    - ($300/30 days) * 27 days of coverage = $270.00
  - Advance CSR:
    - ($75/30 days) * 3 days of coverage = $7.50
    - ($100/30 days) * 27 days of coverage = $90.00
  - User fee:
    - ($12.25/ 30 days) *3 days of coverage = $1.22
    - ($14.00/30 days) * 27 days of coverage = $12.60
- Total Premium for the family for April 2015 is $395.00, total APTC is $295.00, total advance CSR is $97.50, and total user fee is $13.82.

CiCs and Effectuations

- FFM issuers do not need to send effectuations for CiCs when:
  - The enrollee was previously enrolled with the issuer and the enrollee has maintained the same Subscriber ID
- FFM issuers **NEED** to send effectuations for CiCs when:
  - The enrollee is newly enrolled with the issuer
  - An enrollee's Subscriber ID changes when staying with the same issuer

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