CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Issuer Refresher on Handling Terminations in the Federally Facilitated Exchange (FFE)



Center for Consumer Information & Insurance Oversight (CCIIO)

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https://www.regtap.info/FFENR.php

The information provided in this presentation is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. This material summarizes current policy and operations as of the date it was uploaded to REGTAP. Links to certain source documents may have been provided for your reference. We encourage persons taking the course to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information

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Introduction to Terminations in the FFE

This presentation is a refresher for issuers offering coverage through the Federally Facilitated Exchange. The purpose of this presentation is to summarize and illustrate existing policy for common enrollment termination scenarios.

I. M834 SEP transactions received for a policy the issuer is terminating
II. Medicare Periodic Data Matching
III. Voluntary Terminations
IV. HICS examples

M834 Guidance: The Continuous Enrollment Test

- If a consumer is terminated for non - payment in issuer records, and the issuer subsequently receives an M834 SEP transaction, the following guidance applies:
  - **If there would be a gap in coverage** between the termination of the current coverage (meaning the date the APTC grace period ends, if applicable) and the effective date of the change requested by the M834 transaction, the issuer should accept the M834 as a new enrollment subject to binder(and any past due premium, if the issuer has adopted the policy requiring an enrollee to pay all past - due premiums owed to that issuer for coverage in the 12 months preceding the new coverage's effective date, and previously noticed the enrollee).
  - **If there would be no gap in coverage**, the M834 transaction is an update to continuous enrollment and the issuer should not effectuate the change and maintain the termination date.
  - **The continuous enrollment test is the same for active reenrollments during OE as for SEP** transactions outside of OE.

For more information, see 7.3.2 and 7.4.3 of the 2019 Enrollment Manual at https://www.regtap.info/reg_librarye.php?i=1761

Medicare Periodic Data Matching (PDM) & Dual Terminations

- Since January 2019, the FFE has the functionality in place to automatically end APTC/CSR for Exchange enrollees that are dually enrolled in Medicare and the Exchange.
- Additionally, the FFE will also end Exchange coverage for dual enrollees who permit the FFE to act on their behalf and end their coverage if they are found to be dually enrolled in Medicare and the Exchange at a later date.
- The FFE notifies these enrollees that our records show they are dually enrolled in Medicare and Exchange coverage, and if the consumer doesn't respond to the notice within 30 days, then the FFE will either end APTC/CSRs, or end Exchange coverage if the consumer permitted the Exchange to act on their behalf to end coverage if later found to be dually enrolled in Medicare and the Exchange.
- **Enrollees will also have the option to either**:
  - Resubmit their application if they believe they are not enrolled in Medicare; or
  - Change their termination attestation response from agree to disagree to maintain coverage but end APTC/CSRs

Medicare Periodic Data Matching (PDM) & Dual Terminations

834 Transaction Codes for Medicare PDM

Action	Transaction	Maintenance Type Code	Maintenance Reason Code	Additional Maintenance Reason Code
STOPAPTC	M834	001	NULL	FINANCIAL CHANGE
STOPQHP	834	024	14	TERM-OTH-COVERAGE

- For more information on Medicare Periodic Data Matching (PDM), please reference:
  - https://www.regtap.info/reg_librarye.php?i=2828
  - https://www.regtap.info/reg_librarye.php?i=2737
  - https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/Medicare-PDM-FAQ.pdf

Voluntary Termination Requests

- A consumer can terminate their Exchange coverage at any time throughout the plan year. However, with the exception of QDPs, the termination must be initiated through the Exchange.
- As authorized in regulation, a voluntary termination can take effect immediately from the day the consumer initiates termination or on a future date requested by the consumer.
- While everyone on a policy is eligible for same-day terminations, longstanding operational constraints mean that member level terminations (some but not all are ending coverage) may require the consumer to request a HICS case from the FFE Call Center to adjust the termination date. This is because the system isn't capable of assigning a specific termination date to member level terminations
- ***For more information see:***
  https://www.regtap.info/reg_librarye.php?i=2989

Retroactive Termination Requests

- Issuers do not generally have any discretion to offer retroactive termination effective dates unless authorized by CCIIO guidance. Retroactive terminations are currently authorized by regulation in the case of technical error, where the enrollee attempted to terminate his or her coverage and was unable to do so due to a technical error. Retroactive terminations are permitted, with CMS approval, when an error of the Exchange or misrepresentation has occurred.
  - Examples of errors
    - 500.280 error
    - *issuer not receiving the 834 transaction from the FFE, but CMS systems reflect the termination attempt*
    - *Enrollee was auto-renewed by the FFE because the enrollee or their assister created an active enrollment using a new "disconnected" application/account.*

HICS Case Examples for Retroactive Termination Requests

Example 1

"[Consumer X] is requesting a retroactive termination date due to overlapping coverage with a different insurance company. [Application ID]. The consumer's application has been deleted. Type of overlapping insurance: the agent was supposed to terminate the coverage but instead deleted the whole application. Reason consumer has overlapping coverage: consumer requested to terminate coverage but coverage was not terminated. Actions taken: Unable to terminate coverage because the application has been deleted. Information of consumer(s) to be made nonapplicants: XXXX. Date to set the termination: XX/YY/ZZZZ."

HICS Case Examples for Retroactive Termination Requests

- In this example, the consumer is requesting a retroactive termination date based on error of the Exchange or misrepresentation on behalf of an individual. The narrative may indicate the consumer has overlapping coverage, but the claimed cause of this is Exchange error or misrepresentation
- This example **requires** the issuer to reach out to their assigned CMS Lead Caseworker for retroactive termination approval, if not otherwise indicated in the HICS case. The CMS caseworker will research the case and determine if Exchange error or misrepresentation occurred.

HICS Case Examples for Retroactive Termination Requests

- In this same example, if there is no claim of Exchange error or misrepresentation, the request is being made solely because of overlapping coverage and the issuer does not need CMS approval to resolve the case.
- **Retroactive terminations are not allowed for overlapping coverage** due to gaining of Medicare/ Medicaid or Employer Group Coverage. Unless other circumstances exist to warrant a retroactive termination in these cases Issuers should deny these and close the case with proper documentation of their research.

HICS Case Examples for Retroactive Termination Requests

Example 2

"[Consumer X] was removed from Marketplace coverage [Application ID] and all other members remain in coverage on the application. The consumer's intended termination date is [XX/YY/ZZZZ] but functionality limitations provided him/her with a termination date of [AA/BB/CCCC]. Per CMS guidance provided to issuers, please update the termination date in your system to XX/YY/ZZZZ and reconcile with the FFM as appropriate. If the termination date is moved sooner than the original system assigned date, use automated reconciliation."

HICS Case Examples for Retroactive Termination Requests

- In this example the issuer can resolve the HICS case with the date provided, unless it is earlier than the date of the case. If the case is dated 8/24 and the narrative is requesting the member to be removed 7/31, the issuer is required to confirm the retroactive termination is approved for an earlier date. If the termination date requested is after the date of the case, 8/31, the issuer can process the request as indicated without CMS Caseworker approval.

HICS Case Examples for Retroactive Termination Requests

Example 3

"Issuer Action: [Consumer X] requested cancelation or termination more than 30 days ago but the plan has no record of the request. Please investigate and provide the consumer with confirmation of termination, if applicable. [Application ID]. Consumer requested termination date is XX/YY/ZZZZ."

HICS Case Examples for Retroactive Termination Requests

- In this example the issuer should research their records to determine if the enrollment update was processed in a timely manner. Issuers are required to reach out to their CMS Lead Caseworker to confirm a technical error was encountered on the retroactive termination date being requested. If this case was dated on 8/24 and the consumer is requesting a 7/31 termination date CMS would determine if a technical error occurred, such as
  - 500.280 error
  - *issuer not receiving the 834 transaction from the FFE, but CMS systems reflect the termination*