

Medicare Non-Renewal Process in 2019 (OE 2020)



*Center for Consumer
Information & Insurance
Oversight (CCIIO)*

September 16, 2019

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

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Medicare Non-Renewal Process for 2019 (OE 2020)

- Aligning with prior year guidance issued by CMS to help issuers comply with legal requirements that prohibit issuing policies that violate the Anti-duplication Provision of the Social Security Act, issuers should use 2 IC834 AMRCs to terminate or cancel policies to prevent duplication of benefits involving Medicare and a Federally Facilitated Exchange Qualified Health Plan. Effective 2018, these codes help CMS identify the reason for the cancellations and/or terminations, and are used to improve the consumer experience and to reduce processing for issuers and CMS.
- For IC834 to the FFE, issuers should apply the following AMRCs:
 1. **CANCEL-ANTIDUPLICATION:** To cancel a policy when an issuer receives an Initial 834 enrollment (I834) for a consumer who is a Medicare beneficiary when the issuer knows is currently enrolled in Medicare, and issuing QHP coverage would duplicate their benefits
 2. **TERM-ANTIDUPLICATION:** To send a termination effective 12/31 near the end of a plan year (no sooner than October 1) so that an enrollee's coverage is non-renewed to comply with Anti-duplication.

*Issuers should not send an IC834 transaction to the FFE using TERM-ANTIDUPLICATION prior to October 1, 2019.

TERM Versus CANCEL ANTIDUPLICATION

- **TERM-ANTIDUPLICATION** is only valid to non-renew coverage at the end of the plan year (term effective date=12/31) if renewing duplicative coverage would violate the Medicare anti-duplication statute because the issuer knows it would duplicate benefits to which the enrollee is entitled, and the renewal is not effectuated under the same policy or contract of insurance. In order to prevent auto-renewal but maintain the ability for enrollees to report life changes, issuers should utilize this AMRC no earlier than October 1.
- Alternatively, an issuer may send CANCEL-ANTIDUPLICATION AMRC after receiving the future year auto-renewal (typically received in the second half of October).

*If an issuer realizes after effectuating a policy that an enrollee has Medicare coverage, guaranteed renewal requirements at 45 CFR 147.106 generally require that coverage be continued until 12/31 of the new plan year. The issuer may not terminate the policy mid-year, but should instead wait to send an IC834 transaction using the AMRC of TERM-ANTIDUPLICATION no sooner than October 1. Transactions received before October 11 will prevent auto-renewal; after October 11, it will trigger auto-renewed policies to be canceled later.

Termination Notice Requirement

- In addition to sending the FFE a term or cancel, QHP issuers also must send a termination notice, pursuant to 45 CFR 156.270(b) and 45 CFR 155.430(b)(2)(i), to any enrollees whose coverage has been non-renewed due to compliance with the Medicare Anti-duplication statute.
- The termination notice should advise mixed-eligibility enrollees under these circumstances to return to the FFE, and make the Medicare-enrollee a non-applicant. If enrollees not in Medicare need QHP coverage, the FFE will use the term or cancel AMRCs to flag enrollees for SEPs at the FFE Call Center.

TERM-ANTIDUPLICATION Scenario

- On January 1, Bill's QHP coverage begins. However, prior to enrolling in an Exchange QHP, Bill was already enrolled in Medicare coverage, which is still active. As a result, he is enrolled in both an Exchange QHP, and Medicare, which duplicates coverage.
- In June, the issuer providing QHP coverage for Bill gains knowledge that he is dually enrolled. However, guaranteed renewal requirements documented at 45 CFR 147.106 require that Bill's QHP coverage continue until the end of the plan year, unless another exception applies.
- The issuer **may not** terminate Bill's coverage mid-year absent an exception to guaranteed renewal. If renewing QHP coverage would cause the issuer to violate anti-duplication, the issuer should send an IC834 with the AMRC of TERM-ANTIDUPLICATION effective 12/31 to the FFE to prevent renewal, but should send the term no earlier than October 1.

CANCEL-ANTIDUPLICATION Policy

- **CANCEL-ANTIDUPLICATION** is only valid when an issuer receives an initial enrollment (I834) transaction for Exchange coverage from the FFE for a member who is a Medicare beneficiary and for whom the issuer knows effectuating the enrollment would duplicate benefits to which the beneficiary is entitled, and would therefore violate the Medicare Anti-Duplication Statute.
- Initial enrollments received throughout the plan year may be cancelled prior to effectuation using this code if the issuance of Marketplace coverage would violate the Medicare Anti-duplication Statute.

CANCEL-ANTIDUPLICATION Policy

- As with the TERM-ANTIDUPLICATION AMRC, QHP issuers also must send a cancellation notice to any enrollees whose coverage has been non-renewed due to compliance with the Medicare Anti-duplication statute.
- The cancellation notice should advise enrollees under these circumstances to return to the FFE, and make the Medicare-enrollee a non-applicant. If enrollees not in Medicare need QHP coverage, the FFE will use the term or cancel AMRCs to flag enrollees for SEPs at the FFE Call Center.

CANCEL-ANTIDUPLICATION Scenario #1

- On December 12, an issuer receives (auto reenrollment, active reenrollment, or initial enrollment) for a QHP with a January 1 effective date for a member who the issuer has knowledge of being currently enrolled in Medicare.
 - Active or auto reenrollments that maintain the same contract or policy of insurance might not violate Anti-duplication (issuers should consult their compliance departments on what constitutes a change in contract or policy)
- If issuing QHP coverage violates Anti-duplication, the issuer must send an IC834 cancellation to the FFE by using the CANCEL-ANTIDUPLICATION AMRC in order to avoid issuing a policy that violates anti-duplication.

Additional Policy Notes

- The addition of specific term/cancel codes for Medicare Anti-duplication enrollments replace other Enrollment Data Alignment channels:
 - Issuers should not use IC834 “TERM-OTH,” or “CANCEL-OTH” for coverage that is ending, or not being issued because of Medicare Anti-duplication
 - When ending coverage to comply with anti-duplication, issuers should prioritize IC834 transactions with the appropriate reason code over other enrollment data alignment channels because IC834 provides a faster policy status update.
 - There is no need for a separate Medicare non-renewal submission to ER&R
 - TERM-ANTIDUPLICATION transactions received before October 11 will prevent auto-renewal; after October 11, it will trigger auto-renewed policies to be canceled later
 - Issuers who end coverage using AMRCs of TERM-ANTIDUPLICATION and CANCEL-ANTIDUPLICATION in error may reinstatement QHP coverage using IC834