FM Payment Processing Series III

Manual Adjustments for Policy-based Payments, Monthly Invoice Updates, and Payment Dispute Guidance

January 29, 2018

Division of Financial Transfers and Operations (DFTO)

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

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Agenda

- Policy-based Payments (PBP): Manual Adjustments
- Reminder: Electronic Monthly Invoices
- Payment Dispute Guidance

Policy-based Payments (PBP): Manual Adjustments

Manual Adjustments for FFE, SBE, and SBE-FP Issuers

- Temporary Manual Adjustment for Federally Facilitated Exchange (FFE) and State-based Exchange using the Federal Platform (SBE-FP) Issuer
- Temporary Manual Adjustments for State-based Exchange (SBE) Issuer Transition

Temporary Manual Adjustments for FFE and SBE-FP Issuer

January and February 2018 Policy-based Payments (PBP):

- Historically, advance payments in the January and February monthly payment cycles experience a lag caused by premium collection and reporting of policy effectuations beyond the December 15th cutoff for payment reporting.
- Centers for Medicare & Medicaid Services (CMS) will make a temporary manual adjustment (Upper Bound) to the January and February 2018 PBP for Federally-facilitated Exchange (FFE) Issuers and Issuers in State-based Exchanges using the Federal platform (SBE-FP) offering major medical plans.
- This adjustment is intended to mitigate the cash flow impact of the transition to 2018 for FFE and SBE-FP Issuers on PBP.
- The Upper Bound adjustments will be applicable to only APTC and UF payments and charges and will not apply to CSR, which has been discontinued as of the October 2017 payment cycle.
- Adjustment(s) will show on the Issuers' Preliminary Payment Report (PPR) and HIX-820s as two separate manual adjustments to APTC and User Fees.

Temporary Manual Adjustments for FFE and SBE-FP Issuers (continued)

January and February 2018 PBP Upper Bound Adjustments:

- CMS will calculate this adjustment using a payment estimate equal to 80 percent of the estimated year-to-date PBP amount of effectuated enrollments plus enrollment still in "initial" status (i.e., "Upper Bound").
- If the Issuer's calculated PBP amount is less than 80 percent of this amount, CMS will apply an adjustment to increase the Issuer's advance payment, net of FFM user fees, up to the 80 percent threshold.
- CMS will not make any downward payment adjustments to Issuers whose total calculated Policy-based Payments equal or are above the 80 percent threshold.



CMS defines the Payment Upper Bound as the year-to-date payment that would be due for all non-cancelled enrollment (regardless of effectuation status)

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Temporary Manual Adjustments for FFE and SBE-FP Issuer Transition (continued)

Reversing Upper Bound Manual Adjustments:

February 2018:

- If there was an Upper Bound Adjustment for January, 2018, CMS will reverse this temporary manual adjustment in the February, 2018 payment cycle and recalculate the Upper Bound to determine if the year-to-date total Policy-based Payment reached the 80 percent threshold.
  - If the 80 percent threshold is reached, then no other temporary adjustments will be made and the Issuer will be paid on system calculated PBP amounts only from this point forward.
  - If the 80 percent threshold is not reached, one last temporary Upper Bound adjustment will be made for the February, 2018 payment cycle which will be reversed in the March, 2018 payment cycle.

Temporary Manual Adjustments for FFE and SBE-FP Issuer Transition (continued)

Reversing Upper Bound Manual Adjustments:

March 2018:

- If there was an Upper Bound adjustment for the February, 2018 payment cycle, CMS will reverse this temporary Upper Bound manual adjustment in the March 2018 Payment cycle. This will be the last Upper Bound reversal. All future payments will be made on system calculated PBP amounts only.
- All Issuers, from this point, will be paid based on system calculated PBP amounts.
- Adjustment(s) will show on the Issuers' Preliminary Payment Report (PPR) and HIX-820s as two separate manual adjustments to APTC and User Fees.

Temporary Manual Adjustments for SBE Issuer Transition

- Issuers that transition to PBP will receive their Preliminary Payment Reports (PPRs) and 820s with policy-level details.
- To allow for a smooth transition and minimize financial impact to Issuers, CMS has created a temporary payment adjustment process to be applied for the first few months of 2018 (timing to be worked out with the SBE).
- This adjustment will typically be the year-to-date difference between an Issuer's Manual Payment workbook submission and Policy-based Payment calculated amounts. CMS will add program-level temporary manual adjustments to the Issuers' PPR and HIX 820 to make the payment amount match what the Issuer submitted in the Manual Payment workbook (1A) process.
- CMS may adjust this policy in consultation with the SBE. If there is an adjustment to this policy, issuers will receive a notification from FMCC.

Temporary Manual Adjustments for SBE Issuer Transition (continued)

- The temporary manual payment adjustment may increase or decrease the Policy-based Payment calculated payment for that month.
- For the month after the last temporary adjustment month, CMS will adjust that month's PBP amount to account for the reversal of temporary manual payment adjustments applied when the payment was based on the manual payment workbooks. This will true-up payments for those months to the PBP system calculated amount.
- The last adjustment month will be determined by CMS in consultation with each SBE and CMS will notify issuers in advance of reversing adjustments.

Temporary Manual adjustments for Payees with Issuers in both FFE and SBE

- If applicable, there would be a temporary Upper Bound adjustment for FFE plans in January, 2018 and/or February, 2018; which would be reversed by the March 2018 payment cycle.
- If the Payee also has an SBE Issuer in one of the SBEs that have been transitioned to Policy-based Payments (PBP), they would also see additional temporary adjustment amounts by program to true-up to work book submitted amounts which would be reversed at the end of the transition period. The transition period will be decided in consultation with the SBE's.
- The Issuer will see both of these scenarios on your PPR's and HIX 820's if you have both an FFE Issuer with temporary Upper Bound adjustments and an SBE Issuer which has been transitioned to PBP.
- Examples of both these types of temporary adjustments are provided in the appendix.

Electronic Monthly Invoices Reminder

Electronic Monthly Invoices

- Beginning in early 2018, in addition to sending invoices via USPS mail, invoices will be sent electronically to the primary contact listed in the Financial Management (FM) module of HIOS.
- Payments must be submitted electronically via pay.gov on or before the payment due date indicated on the Initial Invoice Letter to prevent the accrual of interest charges and administrative fees.
- Please review the "Payment Instructions" section on your Invoice Letter or the Pay.gov user guide available at https://www.pay.gov/public/form/start/66895913 for instructions on how to submit payment.
- CMS requires Issuers to maintain current payee group information in the FM Application in HIOS. To update your payee group's information including your billing/mailing address, please log-in to the FM Module of HIOS.
- If you have any questions related to the FM module and making billing address updates to correct your mailing address, email address, or payee group information please contact the CMS Vendor Management Team at Vendor_Management@cms.hhs.gov.

Payment Dispute Guidance

Payment Dispute Guidance

Presentation Outline:

I. Common Errors: Handling Payment Disputes After RCNO Ends
II. Payment Dispute Updates in PSV Format
III. New FFE Detail Codes:
- FV100
- PD623 & PY623
- PD628
- PY584
- PD630
- PD631 & PY631

IV. zONE Update: FFE Disposition and Detail Code List v14

Submitting Payment Disputes

Please submit your Payment Disputes!

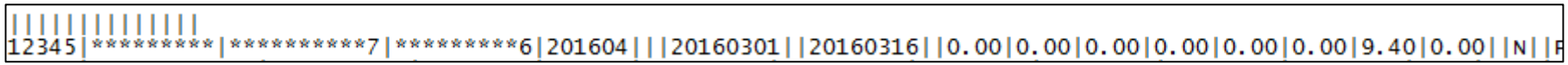
- Submit a Payment Dispute for any record perceived to be incorrect
- Issuers may submit large volumes of disputes without impeding processing time

Handling Payment Disputes after RCNO Ends

- ER&R uses RCNO data to process Payment Disputes.
- ER&R has received many identical Payment Disputes that had been previously assigned an R10 or R11 disposition code, which indicates that the dispute is for a prior year and that the RCNO data is dated.
- If Issuers receive an R10 or R11 disposition code, the expected dispute resolution cannot be reached through the Payment Dispute process since 2016 Recon has ended.
- In these situations, Issuers should evaluate the policy status in Pre-Audit and submit an Enrollment Dispute to resolve any discrepancy.
- Please ensure that you have procedures in place to address cases that are returned with R10 & R11 disposition codes through an Enrollment Dispute.
- Issuers can access the Enrollment Dispute Form on zONE:
  - https://zone.cms.gov/document/enrollment-resolution-and-reconciliation
  - File Name: Enrollment_Dispute_Form_v10_20170901.xlsx

Payment Dispute Updates in PSV Format

- Issuers have asked to receive FFE Payment Dispute disposition updates in a Pipe Separated Value (PSV) format to simplify Payment Dispute processing.
  - Currently, FFE Payment Dispute disposition updates are communicated to Issuers via the Semi-Monthly Detailed (ERRD) Report in Excel format.
  - Initial Payment Dispute dispositions are communicated to issuers via Payment Dispute Response Files in PSV format.
- The new ERRZ function code transmits PSV FFE Payment Dispute disposition updates in the same format as the Payment Dispute Response File.
  - The first row that would normally contain Payment Dispute header information will contain only pipes.



- ER&R began sending the ERRZ reports to FFE issuers on January 16, 2018.
  - ERRZ reports will be distributed on the same cycle as ERRD reports.
  - Payment Disputes will remain unchanged on the ERRD Semi-Monthly Report.

SBE Issuer HIOS ID with FFE file naming convention

- New FFE detail code: **FV100**
- **FV100** applies to disputes that reference an SBE Issuer HIOS, but the dispute is submitted using the FFE file naming convention.
  - **Issuer Action:** Review the dispute submission. Correct the HIOS ID or naming convention:
    - FFE disputes use the ERRP function code
    - SBE payment disputes use the ERRSBM function code
  - For assistance with FFE Payment Disputes, please contact the ER&R Support Center at ERRSupportCenter@Cognosante.com.
  - For assistance with SBE Payment Disputes, please contact the SBE ER&R Support Center at SBEERRSupportCenter@cognosante.com.
- **FV100** results in disposition code: *R2 – Record Does Not Meet Dispute Requirements.*

Unexpected Payment Dispute Rejection Code

- New FFE detail codes: **PD623 & PY623**
- **PD623 & PY623** apply to unexpected Payment Disputes where the RCNI data contains a Premium Paid Indicator of "Y" and there are multiple records within the RCNI that need to be addressed:
  - **PD623 Issuer Action:** Review the most recent RCNI file to determine which policy needs to be cancelled, termed, or effectuated. Once the RCNI update is complete, submit an Enrollment Dispute to resolve any additional discrepancies.
  - **PY623 Issuer Action:** Review the most recent Pre-Audit file to determine what corrections are needed. Submit a Prior Year – End Date or an Initial Premium Paid Status Enrollment Dispute to resolve the discrepancies.
- **PD623** results in disposition code: *R6 - Dispute Not Supported by RCNI.*
- **PY623** results in disposition code: *R10 - Dispute Not Supported by RCNI - Prior Year* .

Missing Payment Timing Issue Code

- New FFE detail code: **PD628**
- **PD628** applies to missing Payment Disputes where the dispute appeared on the PPR after the Issuer submitted the dispute:
  - **Issuer Action:** Review the most recent PPR and verify that the payment is correct. Resubmit the dispute as an incorrect Payment Dispute, if necessary.
- **PD628** results in disposition code: *C6 – Timing issue – PPR record found.*

  NOTE: C6 is a new disposition code

Prior Year Payment with 1095-A Update

- New FFE detail code: **PY584**
- **PY584** applies to missing Payment Disputes for a prior year policy, where the policy was updated through the 1095-A process. These policies can not be updated further through the ER&R Dispute process.
  - **Issuer Action:** Additional changes to this policy must be initiated by the consumer via the 1095-A process. If you have any questions, please contact the ER&R Support Center at errsupportcenter@cognosante.com.
- **PY584** results in disposition code: R10 – *Dispute Not Supported by RCNI - Prior Year*.

Unexpected Payments on Canceled Policies

- New FFE detail code: **PD630**
- **PD630** applies to unexpected Payment Disputes on policies that were cancelled by the Issuer.
  - **ER&R Contractor Action:** Update FFE data by cancelling the policies
  - **CMS Action:** Process subsequent payment adjustments within 1-2 cycles
  - **Issuer Action:** Review the Semi-Monthly Detailed Report to check for any changes to the status of the dispute and ensure payment is received within 2 cycles
- **PD630** results in disposition code: *I1 – In Process.*

Incorrect CSR or User Fee Payment Dispute

- New FFE detail codes: **PD631 & PY631**
- **PD631 & PY631** apply to incorrect CSR and User Fee payments for policies where there is a mismatch for total premium amount caused by a discrepancy in either the County Code or Rating Area:
  - **PD631 Issuer Action:** File a ticket with the CMS FEPS Helpdesk by emailing cms_feps@cms.hhs.gov
  - **PY631 Issuer Action:** File a ticket with the CMS FEPS Helpdesk by emailing cms_feps@cms.hhs.gov
- **PD631** results in disposition code: *R6 - Dispute Not Supported by RCNI.*
- **PY631** results in disposition code: *R10 - Dispute Not Supported by RCNI - Prior Year* .

zONE Update: FFE Disposition and Detail Code List v14

- An updated version of the FFE Disposition and Detail Code List is available on zONE.
- zONE ER&R Landing Page: https://zone.cms.gov/document/enrollment-resolution-and-reconciliation
- Direct Link to the FFE Disposition and Detail Code List v14 (Word): https://zone.cms.gov/system/files/documents/ffe_payment_dispute_disposition_and_detail_code_list_-_20171212_v14.docx
- Direct Link to the FFE Disposition and Detail Code List v14 (Excel): https://zone.cms.gov/system/files/documents/ffe_payment_dispute_disposition_and_detail_code_list_-_20171212_v14.xlsx

Questions?

To submit or withdraw questions by phone:

- Dial ***#** (star-pound) on your phone's keypad to ask a question
- Dial ***#** (star-pound) on your phone's keypad to withdraw your question

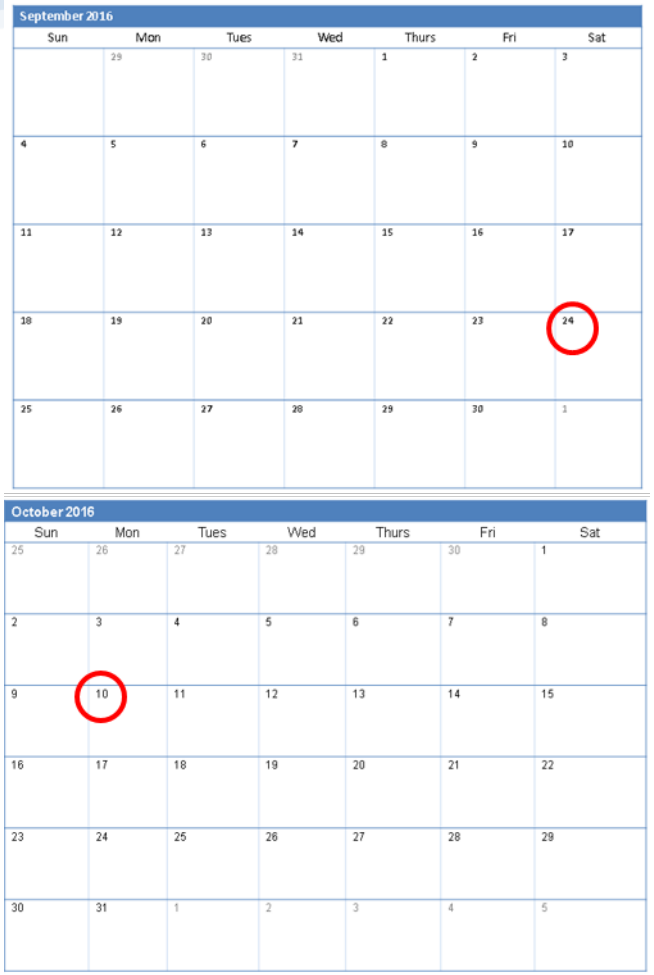
To submit questions by webinar:

- Type your question in the text box under the 'Q&A' tab

APPENDIX

Vendor Management and Payment Activity Key Dates

Vendor Management Reminders



- Payee group information is used to direct program payments to your organization and provides the designated contact information in the event that CMS has a need to contact you. Maintaining your corporate billing address ensures that invoices will be delivered timely avoiding the accrual of interest and late fees.
- The Financial Management (FM) module is open from the 11th through the 24th of each month and closes on the 25th of each month through the 10th of the following month during the payment processing execution. All updates made to your payee group require internal approval from your organization prior to CMS having access to review and approve your record. To ensure that updates to your records are accepted and applied in the system, the updates need your approval two (2) business days prior to the 25th of the month.

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Vendor Management Reminders
(continued)

Records that are not approved or remain in an incomplete status, at the time of module closing, jeopardize ACA program payments for that cycle.

- If your edits include changes to your banking information, your financial institution is required to fax a Bank Verification Letter (BVL) directly to CMS at 443-380-5196 to allow CMS to approve these updates. In the interim, payments will be processed using the most recent **approved** banking information.
- You can reach the CMS Vendor Management Team at Vendor_Management@cms.hhs.gov.

Payment Activity Key Dates

Key Payment Activities	January	February	March
1A Issuer Workbooks Submission Window	December 16th-21st	January 16th-19th	February 16th-22nd
Vendor Management Module Open	January 11th-24th	February 11th-24th	March 11th-24th
Initial Invoice sent to Issuers	January 10th-12th	February 8th-12th	March 9th-13th
Preliminary Payment and Payee Information Reports sent to Issuers	January 12th-15th	February 13th-15th	March 13th-15th
Treasury issues payments to Issuers	January 22nd	February 20th	March 20th
HIX 820 Payment transactions sent to Issuers	January 31st	February 28th	March 30th

Temporary Manual Payment Adjustments Scenarios for SBE Transitioned Issuers to PBP

Upper Bound Payment Cycle: 80% Cap

Examples: Year to Date APTC Payments:

Scenario	PBP Amount (YTD)	Upper Bound Amount-(YTD)	80% of Capped Upper Bound Amount	PBP Amount < 80 % of Capped Upper Bound Amount?	Temporary Adjustment applied to Payment	Total Amount Paid YTD
1	$90.00	$110.00	$88.00	No	$0.00	$90.00
2	$70.00	$110.00	$88.00	Yes	$18.00	$88.00
3	$40.00	$100.00	$80.00	Yes	$40.00	$80.00
4	$65.00	$80.00	$64.00	No	$0.00	$65.00

Note: The same calculation will apply to User Fees

Upper Bound Example



Microsoft Excel
Worksheet

Temporary Manual Payment Adjustments Scenarios for SBE Transitioned Issuers to PBP



Microsoft Excel Worksheet

Exchange Payment Type Codes for January Policy-based Payments

Year	Issuer Type	Process	Transaction Type	Exchange Payment Type	Coverage Period Start Date	Coverage Period End Date
2017	FFM and SBMFP Issuers	PBP	Retroactive Adjustments – APTC, CSR, UF	APTCADJ, CSRADJ, UFADJ	2017MMDD	2017MMDD
2017	SBM Issuers and FFM/SBMFP UFR and SHOPUF adjustments	MA, Manual workbooks	APTC, CSR, UF, SHOPUF, UFR	UFRMADJ, APTCMADJ, CSRMADJ, UFMADJ, SHOPUFMADJ	2017MMDD	2017MMDD
2018	FFM and SBMFP Issuers	PBP	Prospective and Retroactive Adjustments – APTC, CSR, UF	APTC, CSR, UF APTCADJ, CSRADJ, UFADJ	2018MMDD	2018MMDD
2018	SBM Issuers and FFM/SBMFP UFR, SHOPUF, and January temporary manual adjustments	MA, Manual workbooks	APTC, CSR, UF, SHOPUF, UFR	UFRMADJ, APTCMADJ, CSRMADJ, UFMADJ, SHOPUFMADJ	2018MMDD	2018MMDD

Resources

- Inbound 834 Process (CMS zOne Dedicated Page):
  - Production Overview, Technical Specifications, Reporting
  - For further assistance, please contact: Inbound834@bah.com
- Enrollment Reconciliation:
  - Educational Materials, Technical Specifications
    - https://zone.cms.gov/document/2016-enrollment-data-reconciliation
  - For further assistance, please contact: recon_issuer_support@bah.com
- Dispute submission:
  - Resources
    - Enrollment dispute form: https://zone.cms.gov/document/enrollment-resolution-and-reconciliation-dispute-form
    - Payment dispute form: https://zone.cms.gov/document/enrollment-resolution-and-reconciliation-dispute-form
    - Payment dispute Technical Reference Guide: https://zone.cms.gov/document/ppr-820-disputes-page
  - For further assistance, please contact the ER&R Support Center at errsupportcenter@cognosante.com or (855) 591-7113

Points of Contact

- CMS directs Issuers to contact the Federal Enrollment and Payment System (FEPS) Helpdesk with technical questions or issues. Issuers can contact the FEPS Helpdesk at the CMS_FEPS@cms.hhs.gov email address.
- CMS directs Issuers to contact the Exchange Payments Team with questions related to the Manual Payment Process. Issuers can contact Exchange Payments at the Exchangepayments@cms.hhs.gov email address.
- CMS directs Issuers to contact the Financial Management Coordination Center (FMCC) with questions regarding the PBP process. Issuers can contact the FMCC at the FMCC@cms.hhs.gov email address.
- CMS directs Issuers to contact the Enrollment Reconciliation and Resolution (ER&R) contractor with questions regarding the discrepancy reporting process, as well with dispute form submissions. Issuers can contact the ER&R contractor at the errsupportcenter@cognosante.com email address.

RA on Invoices, PPRs and HIX 820s

- Issuers with multiple RA payments or charges can distinguish between them by referring to the Invoice Number using the convention below.
- RA Invoice Number Example: I14VA160112345001
  - Digit 1: Program and Market Designator (I)
  - Digits 2-3: Program Year (14)
  - Digits 4-5: State Code (VA)
  - Digits 6-9: Year and Month (1601)
  - Digits 10-14: Issuer ID (12345)
  - Digits 15-17: Transaction Sequential Counter (001)

RA on Invoices, PPRs and HIX 820s
(continued)

- Program and Market Designator (Digit 1) Key:
  - Risk Adjustment Individual – I
  - Risk Adjustment Small Group – L
  - Risk Adjustment Catastrophic – T
  - Risk Adjustment Merged – M
  - Risk Adjustment Default Charge Individual – N
  - Risk Adjustment Default Charge Small Group – O
  - Risk Adjustment Default Charge Catastrophic – H
  - Risk Adjustment Default Charge Merged - B

Additional Information

- Additional information related to the PBP transition is available in the Registration for Technical Assistance Portal (REGTAP) Library at the following links:
  - PBP Temporary Adjustment Reconciliation Methodology
  - May 2, 2016 Payment Bulletin
  - PBP May Payment Back-out Example Workbook

Documents Available on REGTAP

- The ***Managed File Transfers (MFT) Thin Client Help Guide*** and ***Manual Payment and Enrollment Data Workbook User Guide*** are currently available in the REGTAP Library at the following links:
  - https://www.regtap.info/uploads/library/FT_MFTHelpGuide_081016_v1_5CR_081016.pdf
  - https://www.regtap.info/uploads/library/FT_AutoTemplateUserGuide_5CR_081016.pdf

Acronyms

Acronym	Definition
DSH	Data Services Hub
EDI	Electronic Data Interchange
EPS	Enrollment and Payment System
FFE	Federally-facilitated Exchange
FMCC	Financial Management Coordination Center
HIOS	Health Insurance Oversight System
HIX	Health Insurance Exchange
PBP	Policy-based Payments
PPR	Preliminary Payment Report
PSV	Pipe-separated value
SBE	State-based Exchange
SHOP	Small Business Health Options Program

Resources

Financial Management Coordination Center

- The Financial Management Coordination Center (FMCC) help desk at fmcc@cms.hhs.gov assists Issuers with:
  - Questions or concerns regarding the Payment Dispute process
  - Technical assistance
  - File submission

When contacting the FMCC, Issuers should include their five (5)-digit Health Insurance Oversight System (HIOS) ID and their seven (7)-character Payee ID, along with their request.

Technical Reference Guide

- The Payment Dispute Technical Reference Guide (TRG) provides guidelines for Issuers regarding how to submit Payment Disputes.

- Issuers can access the TRG at the following links:
  - https://www.regtap.info/uploads/library/FT_TRG_v1_5CR_101416.pdf
  - https://zone.cms.gov/document/ppr-820-disputes-page

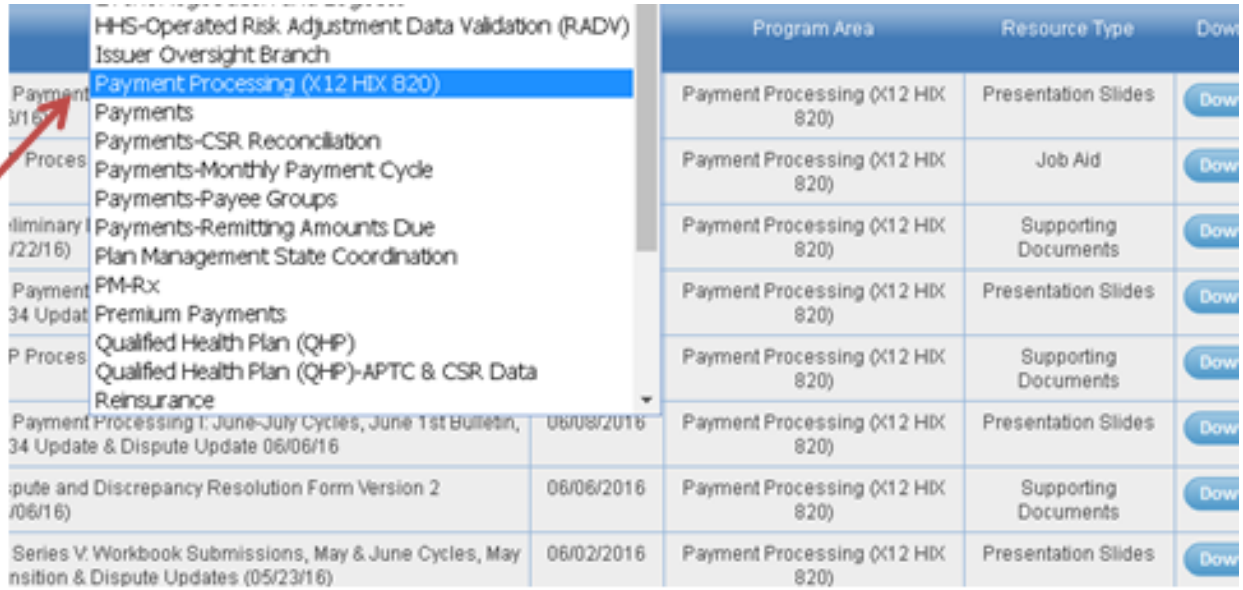
Resources

Resource	Resource Link
Centers for Medicare & Medicaid Services (CMS)	http://www.cms.gov/
U.S. Department of Health & Human Services (HHS)	http://www.hhs.gov/
The Center for Consumer Information & Insurance Oversight (CCIIO) web page	http://www.cms.gov/cciio
Consumer website on Health Reform	http://www.healthcare.gov/
ASC X12 Store	http://store.x12.org/store/health-insurance-exchanges
Registration for Technical Assistance Portal (REGTAP) - presentations, FAQs	https://www.REGTAP.info

Document Location

Additional Materials for FM Payment Processing III are available in the REGTAP Library at https://www.REGTAP.info

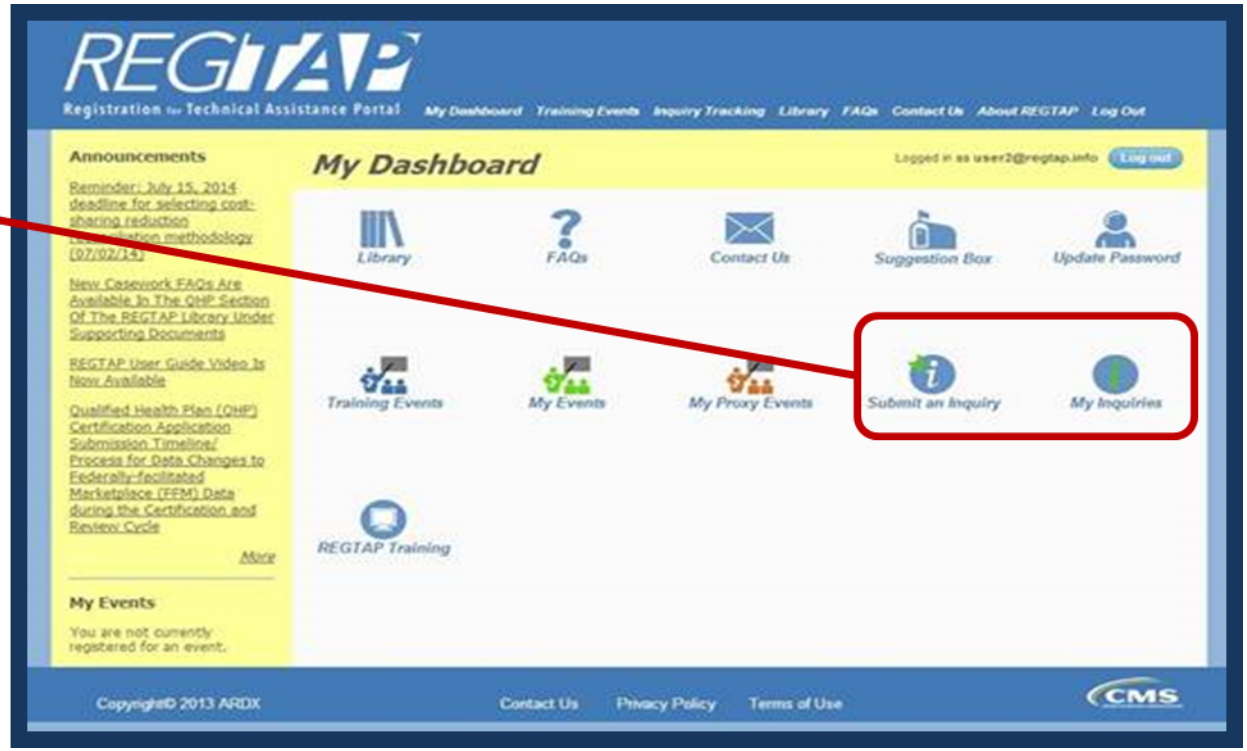
Under Program Area, select "Payment Processing (X12 HIX 820)"



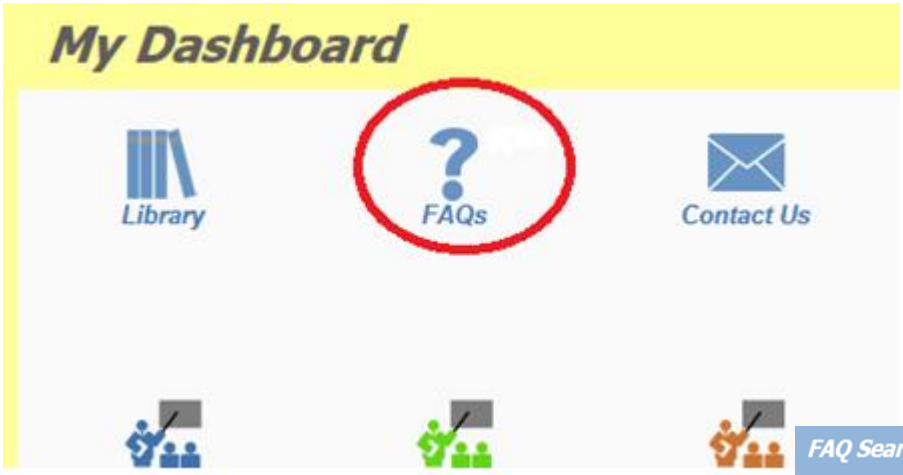
Inquiry Tracking and Management System (ITMS)

Stakeholders can submit inquiries to ITMS at https://www.REGTAP.info

Select “Submit an Inquiry” from My Dashboard.

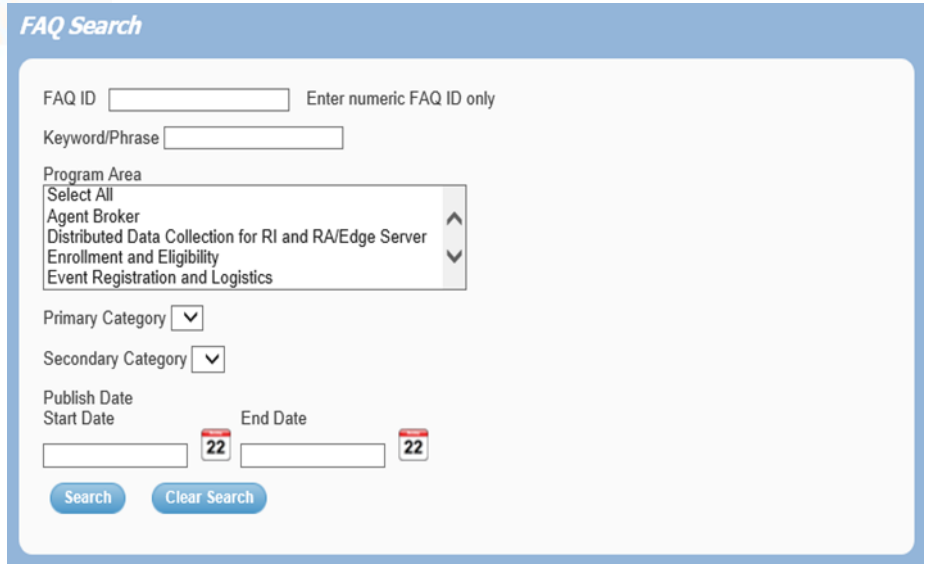


FAQ Database on REGTAP



The FAQ Database allows users to search FAQs by FAQ ID, Keyword/Phrase, Program Area, Primary and Secondary Categories, Benefit Year, Retired and Current FAQs and Publish Date.

FAQ Database is available at https://www.regtap.info/



Closing Remarks