Invoicing and Collections Training: Dunning Letters for Reinsurance, Risk Adjustment and Risk Corridors (3Rs) Issuers

1 Purpose

This document covers the requirements that apply to the Initial Dunning Letter and Intent to Refer Letter sent to Issuers or Self-Insured Group Health Plans by the Department of Health and Human Services (HHS) for the collection of monies owed.

2 Introduction

The Healthcare Integrated General Ledger Account System (HIGLAS) contains specific amounts due that are not offset by other payments for the following receivables related to entities participating in the three (3) risk programs (3Rs), Reinsurance, Risk Adjustment and Risk Corridors, operated by HHS:

- **Reinsurance Payment Overpayments** – charges owed by a contributing entity (issuers and self-insured group health plans) not paid through the Reinsurance Contribution Submission Process which requires the completion of a Form and scheduling of reinsurance payments through pay.gov
- **Risk Adjustment Charges –** Charges related to the Risk Adjustment Program (including Default Charges
- **Risk Corridors Charges –** Charges incurred by Issuers who have achieved revenue 3+% higher than target, as calculated under the risk corridors methodology.
- **User Fees for Risk Adjustment –** Fees charged to Issuers in states where the HHS operates a Risk Adjustment Program.

For every month HHS is owed outstanding charges or fees by an Issuer or Contributing Entity, HHS will send that Issuer or Contributing Entity a Dunning Letter as notification of monies owed.

3 Key Concepts

Dunning Letters are one (1) of two (2) types:

- **Initial Dunning Letter –**The first bill or invoice that gives Issuers or Contributing Entities a predetermined number of days (terms) to pay the receivable. Issuers or Contributing Entities will typically receive Initial Dunning Letters before the middle of the month, and will have 30 calendar days to submit payment. Issuers will not accrue additional charges during this time. Issuers will receive one (1) Dunning Letter for each program for which the Issuer owes a payment.

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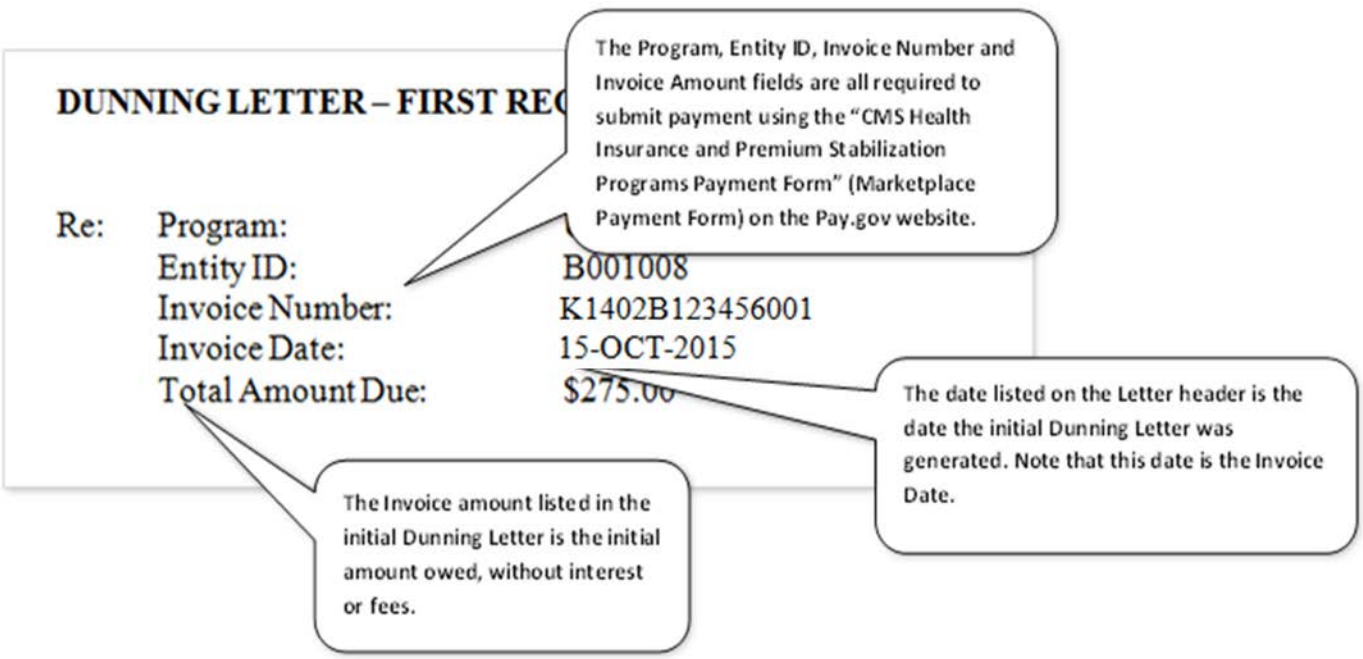
- **Intent to Refer (ITR) Letter –** HHS sends the ITR Letter 60 days after the Invoice Date of the Initial Dunning Letter. This letter signals HHS' intent to refer the Issuer's or Contributing Entity's debt to the Treasury Department after a period of 90 days from the original Invoice Date.

4 Initial Dunning Letter

This section outlines the key data elements and defines key terminology in the Initial Dunning Letter.

Figure 1: Initial Dunning Letter Data Elements

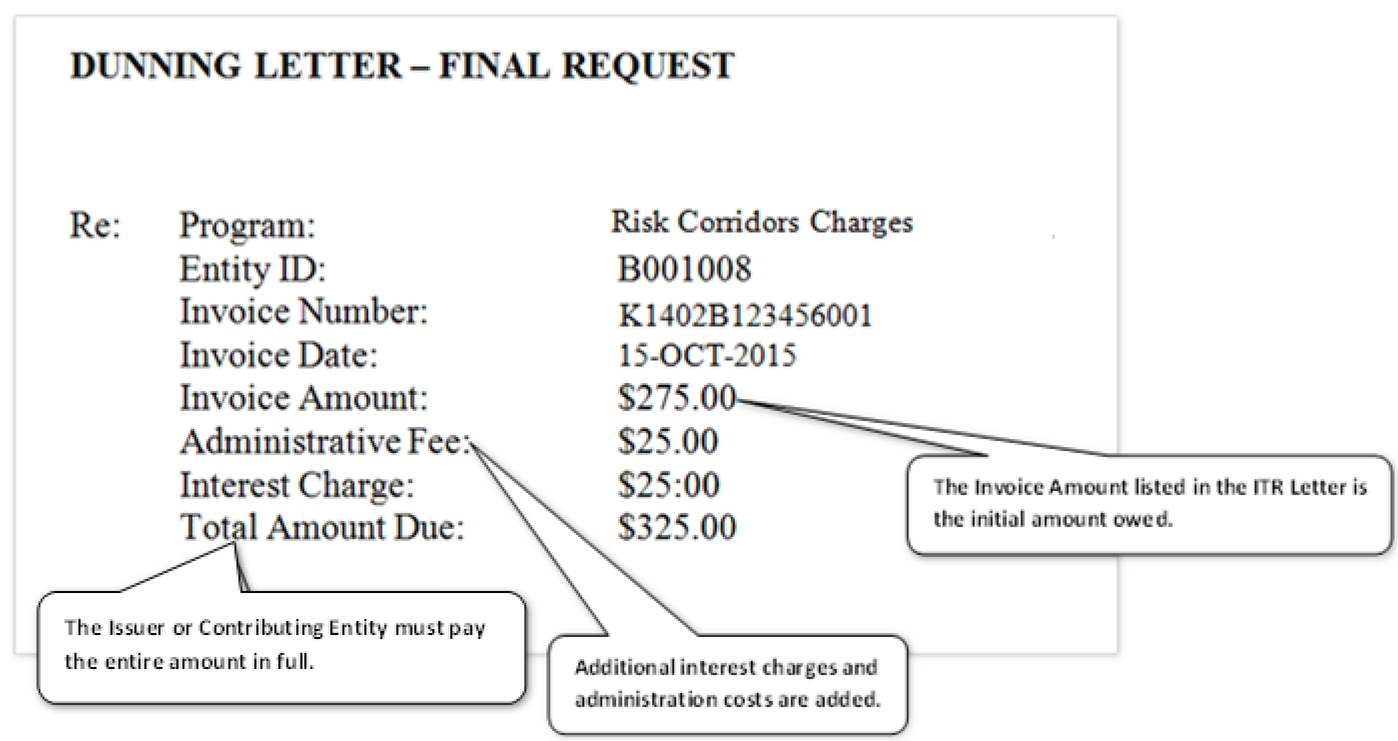


Invoicing and Collections Training: Dunning Letters for Reinsurance, Risk Adjustment and Risk Corridors (3Rs) Issuers

5 Intent to Refer Letter

This section outlines the key data elements and defines key terminology in the ITR Letter.

Figure 2: Final Dunning Letter Data Elements



DUNNING LETTER – FINAL REQUEST

Re:	Program:	Risk Corridors Charges
	Entity ID:	B001008
	Invoice Number:	K1402B123456001
	Invoice Date:	15-OCT-2015
	Invoice Amount:	$275.00
	Administrative Fee:	$25.00
	Interest Charge:	$25:00
	Total Amount Due:	$325.00

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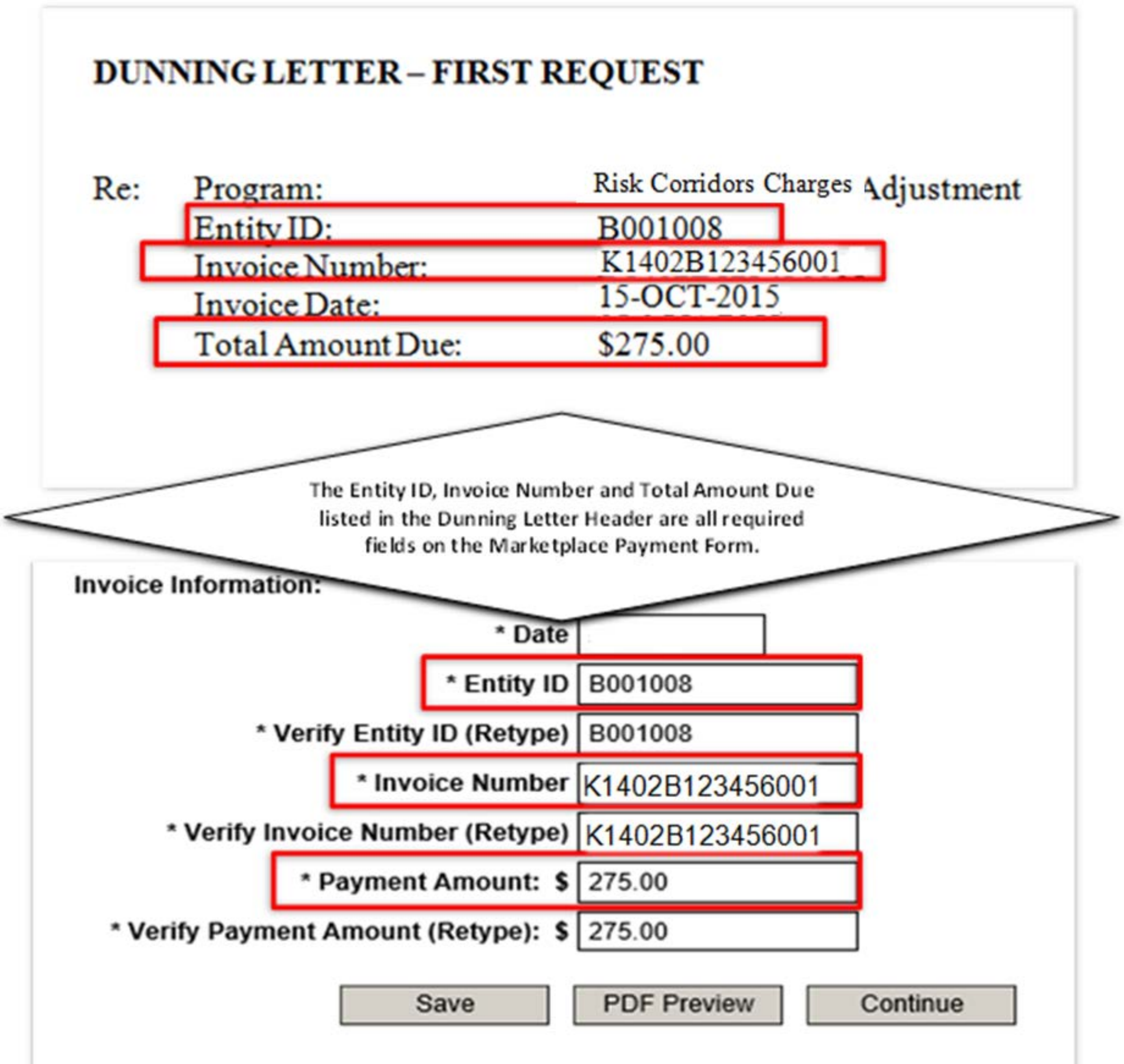
6 Data Elements Used in the Pay.gov Payment Submission Process

Dunning Letters contain data that is critical to completing the payment submission process. The graphic below illustrates the data needed to complete the Centers for Medicare & Medicaid Services (CMS) Health Insurance Marketplace Premium Stabilization Programs Payment Form and submit the invoice amount through Pay.gov.

Figure 3: Data Elements Required for Submitting the Marketplace Payment Form


DUNNING LETTER – FIRST REQUEST

Re: Program: Risk Corridors Charges Adjustment
Entity ID: B001008
Invoice Number: K1402B123456001
Invoice Date: 15-OCT-2015
Total Amount Due: $275.00

The Entity ID, Invoice Number and Total Amount Due listed in the Dunning Letter Header are all required fields on the Marketplace Payment Form.

Invoice Information:

* Date	
* Entity ID	B001008
* Verify Entity ID (Retype)	B001008
* Invoice Number	K1402B123456001
* Verify Invoice Number (Retype)	K1402B123456001
* Payment Amount: $	275.00
* Verify Payment Amount (Retype): $	275.00

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