Financial Management Series IV: Updated PBP Guidance, April & May Payment Cycles and Payment Dispute Updates

March 28, 2016

Financial Management Series IV

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

HTTPS://WWW.REGTAP.INFO

Agenda

- Session Guidelines
- New Policy-based Payment (PBP) Guidance
- April Payment Cycle
- May Payment Cycle
- Payment Dispute Updates
- Frequently Asked Questions (FAQs)
- Resources
- Closing Remarks

Session Guidelines

- This is a 90-minute webinar session.
- Documented Q&As will be posted in the coming weeks.
- For questions regarding logistics and registration, contact the Registrar at: (800) 257-9520.

FM Series IV

- The Centers for Medicare & Medicaid Services (CMS) will continue to roll out trainings in 2016.
- Series IV will continue to provide information related to testing, timelines, HIX 820 scenarios, and any additional guidance related to the 2016 transition through the end of May.
- As part of this series, CMS will conduct content webinars each Monday from 2:00 to 3:30 p.m. ET.

FM Series IV Dates: March and April 2016

Day of Session	Date of Session	Time	Session Title
Monday	March 7, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	March 14, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	March 21, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	March 28, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	April 4, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	April 11, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	April 18, 2016	2:00 – 3:30 p.m. ET	Webinar
Monday	April 25, 2016	2:00 – 3:30 p.m. ET	Webinar

Points of Contact

- CMS directs Issuers to contact the 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 Marketplace Payments Team with questions related to the Manual Payment Process. Issuers can contact Marketplace Payments at the marketplacepayments@cms.hhs.gov email address.
- CMS directs Issuers to contact the 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 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.

PPR and 820 File Issues

Please follow the below escalation path for issues with FTP or locating the monthly PPR and HIX 820 payment files to ensure the quickest response:

- **Preliminary Payment Report (PPR)**
  - Contact the Financial Management Coordination Center (FMCC)
    - Email: FMCC@cms.hhs.gov
- **HIX 820**
  - Contact the CMS Help Desk and request a Remedy Ticket be opened for the issue. The Help Desk will assign the ticket to the appropriate support team who will reach out to issuers to resolve.
    - Email: CMS_FEPS@cms.hhs.gov

Contacting FMCC



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

Participant Questions

- CMS is soliciting questions to include in upcoming FM Series IV webinar sessions.
- Issuers can submit inquiries they wish to be featured during FM Series IV Webinar sessions through REGTAP at https://www.REGTAP.info.
- Issuers should follow the steps below:
  - Log into REGTAP.
  - Access the “Submit an Inquiry” feature on the REGTAP dashboard.
  - Enter one (1) question per submission.
- **CMS will select questions from these submission to be featured during FM Series IV Webinars**.

Participant Questions (Continued)

- Issuers must submit inquiries by **3:00 p.m. ET on Fridays** in order to be considered for the upcoming FM Series IV webinar.
  - The upcoming submission deadline is **April 1, 2016 at 3:00 p.m. ET.**
- CMS will answer selected Issuer-submitted questions during that upcoming FM Series IV Webinar session.

Additional Information

- Additional information related to the Policy-based Payments (PBP) transition is available in the REGTAP Library at the following links:
  - Financial Management 2015 to 2016 Issuer Transition Guide Version 4.4
  - Manual and PBP Temporary Payment Adjustment Reconciliation Methodology

Dispute and Discrepancy Resolution Form



The latest version of the Dispute and Discrepancy Resolution Form is available on REGTAP at the following link:
https://www.regtap.info/uploads/library/FT_PPR820__Dispute_Form_5CR_030416.xlsx

New PBP Guidance

Updated Guidance

- CMS published new Policy-Based Payments Guidance revising the bulletin published on December 4, 2016.
- CMS **will continue paying adjustments** to the manual payment amounts **in the April payment cycle and end those adjustments in May.**
- All currently **non-transitioned issuers will be transitioned to PBP for the April payment cycle**, as communicated in previous webinars.
- Guidance is available here: https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/FT_PBPGuidance_5CR_032116.pdf

April Payment Cycle

April Payment Cycle: Transition to PBP

- Remaining issuers not yet transitioned to PBP will be transitioned in April
- For newly-transitioning Issuers:
  - Issuers will receive retroactive PBP payments for all effectuated enrollment for January, February, and March, in addition to prospective PBP payments for April.
  - Issuers not impacted by Upper Bound will receive one manual adjustment per program for April
    - Adjustment will be the difference between April manual payment amount and total PBP.
    - Most issuers will see a large positive PBP payment and large negative manual adjustmen.t
  - A newly transitioning Issuer will receive one (1) PPR and 820 for each month (January through April) and one (1) for December 2015 if the Issuer has any restatements from the prior year.
  - See the newly-transitioned example.

Updated April Guidance



CMS will continue adjusting policy-based payments to the amount of Manual Workbooks for all Issuers in April

Upper Bound Review

- For all issuers, payments will be calculated as PBP adjusted to the amount submitted in an Issuer's Manual Workbook.
- To verify the accuracy of these Manual Workbook submissions, CMS validated each Issuer's Workbook against the calculated upper bound payment amount using FFM enrollment data.
  - Payment upper bound = payment that would be due for all non-cancelled enrollment (regardless of effectuation status).

Upper Bound Review (Continued)

- CMS caps Manual Workbook payments (APTC, CSR, and User Fee payments) at the validated amount.
  - If the Manual Workbook-submitted amount was more than the upper bound amount for APTC and CSR, CMS will pay the upper bound amount for that payment.
  - This cap applies to both prospective payments and adjustments.
  - Upper bound payment will be equal to PBP payment PLUS payment for all enrollments still in initial status for that month
  - Issuers affected by this cap will be notified via email.
  - Upper bound cap will appear on the PPR as a separate adjustment.

Upper Bound Example

CSR--Calculation without Upper Bound				Year to date calculations--Upper Bound				
	PBP	Workbook	Adjustments to Workbook	PBP	Workbook	Upper Bound	Workbook Above Upper Bound?	Upper Bound Adjustments
Jan Cycle	500	1000	500	500	1000	1200	No	0
Feb Cycle	800	1200	400	1300	2200	2300	No	0
March Cycle	1500	1200	-300	2800	3400	3300	Yes	-100

- March calculation also applies to APTC and User Fees (calculated as absolute value)
- In this example the issuer would receive to CSR adjustments: -300 to the amount of the workbook submission; -100 to adjust for upper bound
- CMS will perform the same calculation in the April cycle

May Payment Cycle

May Payment Cycle: Reversing Previous Adjustments

- For all issuers:
  - o All January through April adjustments will be reversed in the May payment cycle
  - o See examples of adjustment reversal for Issuers transitioned in January and in April

After May Adjustments

- After the May adjustment:
  - Issuers will be paid their calculated PBP except in cases of extreme variation (>25%) from the manual payment amount.
  - CMS will apply a manual payment adjustment to the Issuer's calculated PBP so that the issuer does not receive less than 75% of the manual payment process amount (capped at upper bound)
  - This cap on variation will extend through the July payment cycle.
  - To allow this calculation, Issuers should continue to submit Manual Workbooks for 2015 and 2016 until notified otherwise by CMS.

May Payment Cycle: 25% Cap on Variation

- In April, CMS will cap variation in payment from the manual process-submitted amount at 25%.
- This calculation will be based on total Year-to-Date (YTD) payments for the manual process and for PBP.
- The manual process amount will be capped at Upper Bound for purposes of this calculation.
- The 25% cap will apply only to ATPC and CSR; CMS will not adjust User Fees from PBP.

May Payment Cycle: 25% Cap on Variation Examples

Examples: Year to Date APTC Payments:

Scenario	PBP Amount (YTD)	Manual Workbook Amount (YTD)	Upper bound Validation (YTD)	Capped Manual Workbook Amount (YTD)	75% of Capped Manual Workbook Amount	PBP Amount < 75% of Capped Manual Workbook Amount	Adjustment applied to May Payment	Total Amount Paid YTD
1	$80.00	$100.00	$110.00	$100.00	$75.00	No	$0.00	$80.00
2	$70.00	$100.00	$110.00	$100.00	$75.00	Yes	$5.00	$75.00
3	$40.00	$110.00	$100.00	$100.00	$75.00	Yes	$35.00	$75.00
4	$60.00	$50.00	$80.00	$50.00	$37.50	No	$0.00	$60.00

- All prior month adjustments will be reversed as described in the previous slides before making any adjustments for >25% variation.
- The same calculation will apply to CSR payments.
- CMS will not adjust User Fees.

Payment Disputes Update

Re-Import Complete



In response to significant changes in the discrepancy reporting process including relaxed requirements and refined disposition codes, CMS re-imported all disputes sent by Issuers to date.

Updated response files are being distributed beginning March 25, 2016.

Re-Import Complete

Disposition Code Distributions

Disposition Code	Dispute Count	Percentage
R1	208958	40.6%
R2	503	0.1%
R3	12049	2.3%
R4	2040	0.4%
R5	61743	12.0%
R6	155024	30.1%
R7	66	<0.1%
C2	6359	1.2%
C3	127	<0.1%
I1	68004	13.2%
I2	425	0.1%

Common Error Codes

Error Code	Error Code Description
PD512	The Payment Dispute pertains to a PPR Record that reflects an Adjusted Payment Type. The dispute is being investigated further by the ERR Contractor. The Issuer will need to refer to the Bi-Monthly Payment Dispute report to see if there has been a change in status since the initial response from the ERR Contractor.

- Disposition Code: I1 – In Process
- Disputes with Adjustments are worked manually while Issuers are still transitioning.
- Final Disposition Code to appear in subsequent semi-monthly status report.

Common Error Codes

Error Code	Error Code Description
F9SR4	Coverage Period Start Date (Issuer) - The Coverage Period Start Date (Issuer) is required for any record that has an Issuer non-zero dollar amount value populated in the Payment Dispute.
F11SR4	Coverage Period End Date (Issuer) - The Coverage Period End Date (Issuer) is required for any record that has an Issuer non-zero dollar amount value populated in the Payment Dispute.

- Disposition Code: R1 – Record/File Does Not Meet Format Requirements
- Payment dispute form instructions require the Coverage Period Start/End Dates from the Issuer's record (as reported in the RCNI) for any record that has an Issuer dollar amount value populated.
- FMCC outreach anticipated.

Common Error Codes

Error Code	Error Code Description
FV801	We received another dispute for this policy within this submission. This dispute will be merged with the first payment dispute record received for this Policy ID.

- Disposition Code: R5 – Dispute Merged with Other Case for this Policy.
- An informational Error Code; no Issuer action required.

Common Error Codes

Error Code	Error Code Description
PD5	The ERR Contractor was unable to locate this policy on the RCNO using the FFM or Issuer identifying information on the Payment Dispute. Please verify the information on the dispute form and resubmit the corrected dispute form to the ERR Contractor. For assistance in resolving this Payment Dispute record, please contact the FMCC help desk at fmcc@cms.hhs.gov.

- Disposition Code: R6 – Dispute Not Supported by RCNI
- Issuer supplied details in the payment dispute were likely different from those supplied on the most recent RCNI

Payment Dispute Form

The Payment Dispute form (version 2, March 2, 2016) is available from:

- REGTAP at the following link: https://www.regtap.info/reg_librarye.php?i=1352
- zONE at the following link: https://zone.cms.gov/document/err-ppr-820-dispute-form

Additional Information

- Disposition and Error Code List has been posted:
  - This list has been posted on REGTAP at: Payment Dispute and Disposition Error Codes (v1) (03/14/16)
  - This list has been posted to zONE at: https://zone.cms.gov/system/files/documents/Payment%20Dispute%20Disposition%20and%20Error%20Code%20List%20-%2020160311%20v1%200.pdf

FAQs

FAQ 1

Question: How do Issuer identify Risk Adjustment (RA) payments in the Preliminary Payment Report (PPR) and HIX 820 Transaction?

Answer: On the PPR, the RA program type is displayed in Excel in column K (Exchange Payment Type). The invoice number (where the first letter of the invoice number is used to determine the market) for RA transactions is displayed in Excel in column N (Exchange Report Document Control Number).

On the HIX 820, the RA program type is displayed in the Exchange Payment Code field and the invoice number is displayed in the Document Control Number field.

FAQ 1 (Continued)

Answer: For RA transactions, the markets are as follows:

- I (Individual)
- L (Small Group)
- T (Catastrophic)
- M (Merged)

For RAD transaction, the markets are as follows:

- N (Individual)
- O (Small Group)
- H (Catastrophic)
- B (Merged)

FAQ 2

Question: How can Issuers who automate the ingestion of the payment discrepancy response file and the enrollment discrepancy response file differentiate between the two (2) file names?

Answer: The payment discrepancy response file names and enrollment discrepancy response file names are the same.

FAQ 3

Question: Will Small Business Health Options Program (SHOP) Issuers be required to process premium payment remittance information for SHOP subscribers?

Answer: The SHOP program area has its own HIX 820 transaction separate from the PBP process . Issuers should only expect the SHOP User Fee on the PBP HIX 820 and Preliminary Payment Report (PPR).

Questions?

To submit questions by phone:

- *dial '14' on your phone's keypad*
  - *dial '13' to withdraw your question*

To submit questions by webinar:

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

Acronyms

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

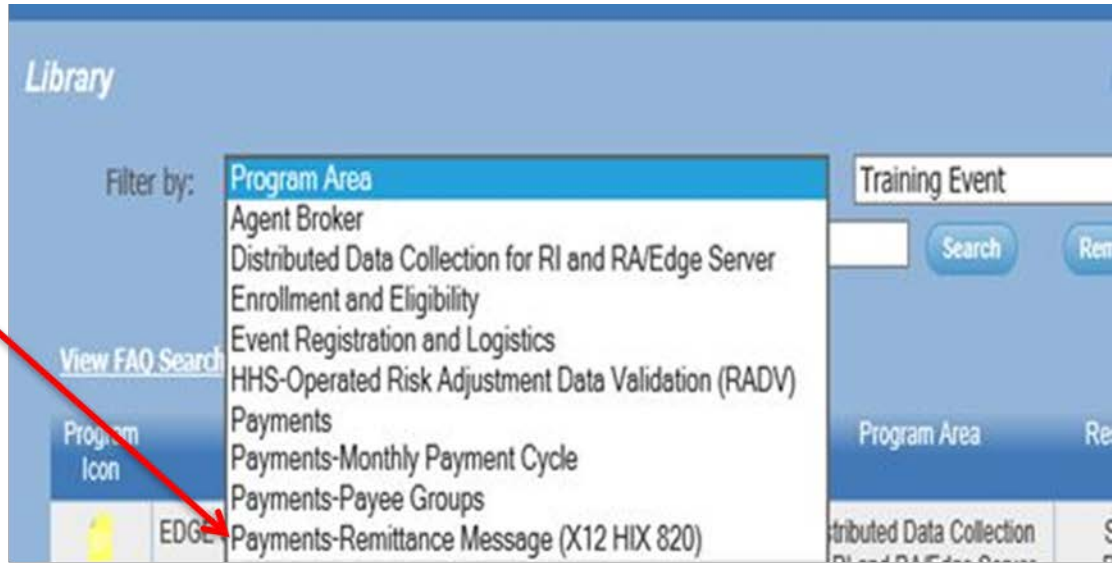
Resources

Resource	Resource Link
Centers for Medicare & Medicaid Services (CMS)	http://www.cms.gov/
U.S. Department of Health & Human Services	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 Series IV are available in the REGTAP Library at https://www.REGTAP.info

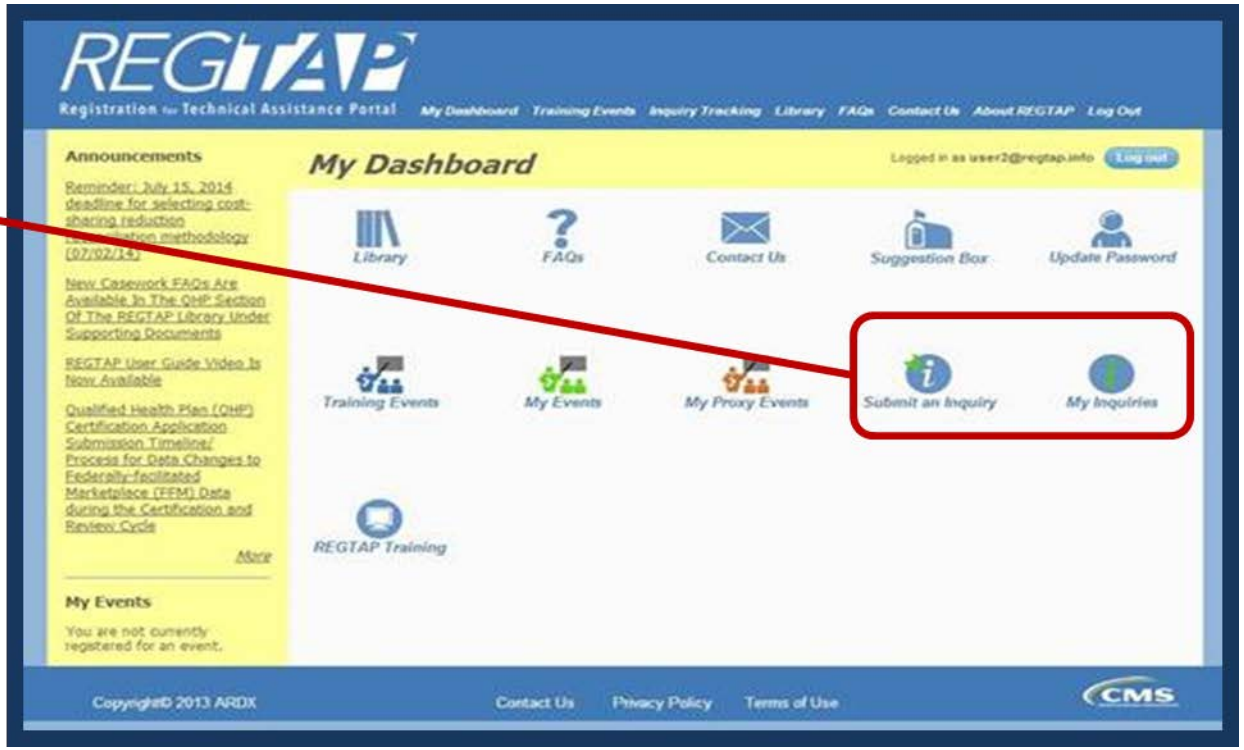
Under Program Area, select "Payments – Remittance Message (X12 HIX 820)"



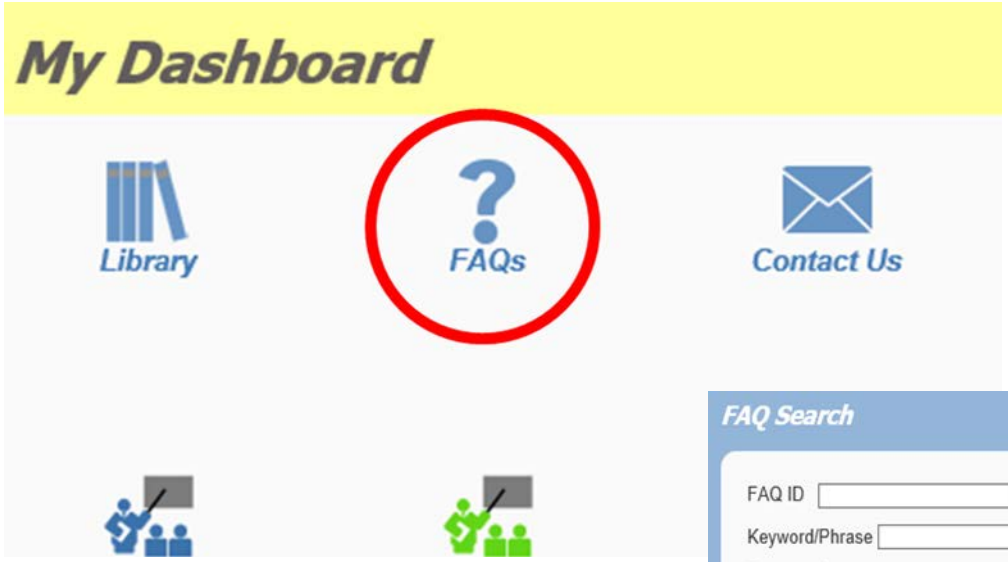
Inquiry Tracking and Management System (ITMS)

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

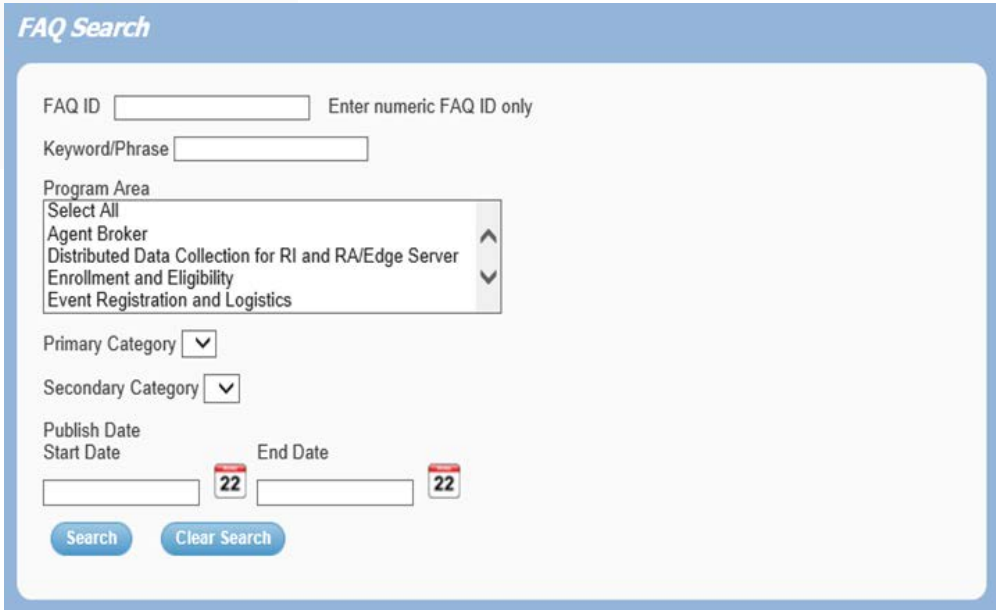
Select “Submit an Inquiry” from My Dashboard.



FAQ Database on REGTAP



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



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

Closing Remarks