# FM Series IV: May and June Payment Cycles, May Payment Examples, Payment Dispute Updates

## April 18, 2016

Financial Management Series IV

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

HTTPS://WWW.REGTAP.INFO

# Agenda

- Session Guidelines
- Announcements
- May and June Payment Cycles
- May Payment Examples
- Payment Dispute Updates
- FAQs
- Resources
- Closing Remarks

# Session Guidelines

- This is a 90-minute content 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.
- FM 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 April.
- As part of this series, CMS will conduct webinars each Monday from 2:00 p.m. to 3:30 p.m. ET.

# FM Series IV Dates: April 2016

| Day of Session | Date of Session | Time | Session Type |
|---|---|---|---|
| Monday | April 4, 2016 | 2:00 – 3:30 p.m. ET | Webinar |
| Monday | April 11, 2016 | 2:00 – 3:00 p.m. ET | Q&A |
| Monday | April 18, 2016 | 2:00 – 3:30 p.m. ET | Webinar |
| Monday | April 25, 2016 | 2:00 – 3:30 p.m. ET | Webinar |

# FM Series V

- CMS will begin **FM Series V** in May 2016.
- FM Series V will provide information related the 2016 transition to Policy-based Payments (PBP) and the Dispute Reporting Process, in addition to providing technical guidance related to the PBP payment process.
- As part of this series, CMS will conduct content webinars each Monday from 2:00 p.m. to 3:30 p.m. ET.
- Issuers currently registered for FM Series IV **must** register to attend FM Series V.

# FM Series V Dates: May 2016

| Day of Session | Date of Session | Time | Session Type |
|---|---|---|---|
| Monday | May 2, 2016 | 2:00 – 3:30 p.m. ET | Webinar |
| Monday | May 9, 2016 | 2:00 – 3:30 p.m. ET | Webinar |
| Monday | May 16, 2016 | 2:00 – 3:30 p.m. ET | Webinar |
| Monday | May 23, 2016 | 2:00 – 3:30 p.m. ET | Webinar |
| Monday | May 30, 2016 | **CANCELLED** | **HOLIDAY** |

# 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 HIX 820 File Issues

Please follow the escalation path below for issues with File Transfer Protocol (FTP) or locating the monthly PPR and HIX 820 payment files:

- **Preliminary Payment Report (PPR)**
  - Contact the FMCC
    - Email: FMCC@cms.hhs.gov
- **HIX 820**
  - Contact the CMS Help Desk and request a Remedy Ticket 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.**

# Additional Information

- Additional information related to the 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 Resolution Form

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

# Announcements

# Deadline for Enrollment Restatements for Cost-sharing Reductions (CSRs)

- CMS released updated guidance regarding CSR reconciliation on April 15, 2016. CMS made the updated guidance available to Issuers at the following link:
  - https://www.regtap.info/uploads/library/FT_CSR_DataSub_Guidance_5CR_041516.pdf
- For the 2014 and 2015 Benefit Years, the final data submission deadline for CSR reconciliation is June 3, 2016.

# Deadline for Enrollment Restatements for CSRs (Continued)

- For more information related to the CSR reconciliation process, Issuers may review the *Manual for Reconciliation of the CSR Component of Advance Payments for Benefit Years 2014 and 2015* at the following link:
  - https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS_Guidance_on_CSR_Reconciliation-for_2014_and_2015_benefit_years.pdf

# Enrollment & Payment Data Workbook Update

In preparation for calculating CSR reconciliation amounts in July, 2016, **CMS will no longer make adjustments to advance payments for CSR for 2014 or 2015 beginning in the May 2016 payment cycle.**

# Enrollment & Payment Data Workbook Update (Continued)

**No Issuer changes are required as a result of this transition**:

- Issuers should continue to submit Workbooks as in prior cycles, including the requirement to enter data for CSR Total Number of effectuated enrollment groups receiving CSR (Column K) and Total Number of effectuated members receiving CSR (Column N) for 2015.
- CSR will appear as $0 in the Enrollment and Payment Data Workbook for 2015.
- CMS will continue to make advance CSR payments for 2016 plans.

# Enrollment & Payment Data Workbook 2015 Restatements

**July 2016 will be the FINAL month in which Issuers can restate enrollment and payment data for the 2015 Benefit Year.**

# Maintenance 834 Updates

# Maintenance 834 Summary to Date

- **The Basics:** CMS is planning on launching the new "Maintenance 834" (M834) functionality between summer and OE2017.
  - o M834s will allow for most changes to a policy to be reported by enrollees to maintain the same policy exchange assigned policy ID.
  - o Note that certain changes will still trigger a termination and creation of a new policy (e.g. new coverage year, new application ID, chance in Subscriber, etc.)

# Maintenance 834 Summary to Date
**(Continued)**

- **Timing:** Since March 22nd, education has been rolled out to issuers via the bi-weekly Tuesday 3:00 p.m. ET "CMS-Issuer Technical Work Group".
  - Issuers are being prepped via webinar & live Q&A to be ready to test by summer.
  - Summer sessions will roll-out issuer testing of M834s.
  - Pending system readiness and issuer testing, goal is to launch in Production before all-issuer end-to-end Open Enrollment testing begins in September.

# Maintenance 834 Summary to Date (Continued)

- **Issuers Need to:** Review the M834 documentation posted at CMS zONE:
  - Version 1 of the Implementation 834 Guide: https://zone.cms.gov/document/federally-facilitated-marketplace-maintenance-834-operations-manual
  - Pre-Draft Version 2.0 of 834 Companion Guide at: https://zone.cms.gov/document/asc-x12-005010-834-companion-guide
  - Be ready to connect to and test in the new "IMPL2" testing environment in June.
  - Issuers with questions on how to ensure their systems are ready should be attending the Tuesday workgroup and engaging in Q&A.

# May and June Payment Cycles

# May 2016

| Sun | Mon | Tues | Wed | Thurs | Fri | Sat |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 **Data Matching Outreach File*** | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 2016 Recon Inbound Due 3pm | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 Memorial Day | 31 | June 1 | 2 | 3 | 4 |

**May 2016 Preliminary Payment Reports sent to Payees.**

**Payees who are Net Negative receive May Dunning Letter[1]**

**FFM Updated 2016**

**2016 Pre-Audit Extract (6:00 pm ET)**

**May 2016 Manual Process Workbooks(First submission window). Due 12 p.m. ET**

**Delivery to Issuers:**
- 2016 Pre-Audit File
- 2016 Orphan Finder MISC File
- 2016 Collapsed CIC Matching File

**Payees receive May Payments[1]**

**May 2016 Preliminary Payment Reports sent to Payees**

**May 2016 Manual Process Workbooks (Resubmission window). Due 12:00 p.m. ET**

**May 2016 Manual Process Workbooks (Resubmission window). Due 12:00 p.m. ET**

**Delivery to Issuers:**
- 2016 Recon Outbound

**Payees receive May HIX 820**

***Note: Data Matching Outreach File delivery dates are approximate***

# June 2016

| Sun | Mon | Tues | Wed | Thurs | Fri | Sat |
|---|---|---|---|---|---|---|
| 29 | 30 | 31 | 1 | 2 | 3 | 4 |
| 5 | 6 *Data Matching Outreach File** | 7 | 8 | 9 | 10 Payees who are Net Negative receive June Dunning Letter[1] | 11 |
| 12 | 13 | 14 | FFM Updated 2016<br>2016 Pre-Audit Extract (6:00 pm ET) | 16 | 17 July 2016 Manual Process Workbooks(First submission window). Due 12 p.m. ET | 18 |
| 19 July 2016 Manual Process Workbooks (First submission window). Due 12 p.m. ET | Delivery to Issuers:<br>• 2016 Pre-Audit File<br>• 2016 Orphan Finder MISC File<br>• 2016 Collapsed CIC Matching File<br>July 2016 Workbook submission Due 12 p.m. | 21 July 2016 Manual Process Workbooks (Resubmission window). Due 12 p.m. ET | 22 Payees receive June Payments[1] | 23 2016 Recon Inbound Due 3pm | 24 | 25 |
| 26 | 27 | 28 Delivery to Issuers:<br>• 2016 Recon Outbound | 29 | 30 Payees receive June HIX 820 | | |

June 2016 Preliminary Payment Reports sent to Payees.

*Note: Data Matching Outreach File delivery dates are approximate

# May PBP Transition

# Updated Guidance: Reminder

- CMS published new Policy-Based Payments Guidance revising the bulletin published on December 4, 2015.
- CMS **will end adjustments to PBP in May for all issuers,** with the exception of a 25% cap on variation between PBP and Year-to-Date manual payments.
- **All past manual adjustments will be reversed in May**, including past adjustments from PBP to manual workbook amounts and upper bound adjustments
- This may result in a net-positive or net-negative adjustment to an issuer's May payment
- Guidance is available on the Center for Consumer Information and Insurance Oversight (CCIIO) webpage at the following link: https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/FT_PBPGuidance_5CR_032116.pdf

# After May Adjustments

- After the May adjustment:
  - CMS will pay Issuers the calculated PBP, except in cases of extreme variation (>25%) from the manual payment amount.
  - CMS will apply a manual payment adjustment to Issuers' 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.

# Expected Adjustments in May

- Issuers received their April PPRs on April 14th.
- Issuers can now calculate their adjustments to May payment by summing all 2016 APTCMADJ, CSRMADJ, and UFMADJ payments from January through April PPRs, including:
  - Adjustments to manual payment amounts
  - Upper bound adjustments
  - Any other adjustments made due to unusual circumstances
- May payment will be equal to May PBP payment minus the sum of all past 2016 adjustments.

# May Payment Examples

# 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 Dispute Updates

# Common Error Codes

| Error Code | Error Code Description |
|---|---|
| PD5 | The ER&R 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 ER&R 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 details in the payment dispute were likely different from those supplied on the most recent RCNI
- 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 |
|---|---|
| F8SR4 | Coverage Period Start Date (FFM) - The Coverage Period Start Date (FFM) is required for any record that has an FFM non-zero dollar amount value populated in the Payment Dispute. |
| F10SR4 | Coverage Period End Date (FFM) - The Coverage Period End Date (FFM) is required for any record that has an FFM non-zero dollar amount value populated in the Payment Dispute. |

- Disposition Code: R2 – "Record Does Not Meet Dispute Requirements"
- Payment dispute form instructions require the Coverage Period Start/End Dates from either the PPR or the HIX 820 for any record that has an FFM dollar amount value populated.
- FMCC outreach anticipated.

# 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: R2 – “Record Does Not Meet Dispute 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.

# Additional Information

- Pipe-separated value (PSV) submissions are encouraged
- 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: Should Issuers compare the Health Insurance Caseworker System (HICS), the RCNO File and other items before conducting discrepancy reporting?

Answer: CMS has not announced a deadline for payment dispute submissions at this time, but will give advance notice of when the deadline will be enforced.

Payment disputes should cite relevant HICS cases when known, and Issuer values supplied on the payment dispute form should align with the values supplied on their most recent RCNI.

# FAQ 2

Question: Can CMS confirm the maximum character limit for the payment cycle month on the disposition error code form?

Answer: On the payment dispute form, Payment Cycle Month (F5) should be formatted as YYYYMM (e.g., 201604) and should directly correspond to the field from either the Preliminary Payment Report (PPR) (Element B5 in the PPR schema) or the HIX 820 (Element BPR16) which is the basis for the dispute.

# FAQ 3

Question: Will CMS accept an Issuer's payment dispute form if the Exchange-assigned Policy IDs do not match the Exchange-assigned Policy IDs reported in the PPR?

Answer: On the Payment Dispute form, Issuer Assigned Subscriber ID (F6) should align with the value submitted on the most recent RCNI.

# FAQ 4

Question: Will the macro that CMS will embed into the Dispute and Discrepancy Resolution Form generate .PSV files automatically?

Answer: The macro is presently in development and is intended to be included in a future version of the payment dispute form.

# FAQ 5

Question: What do the qualifiers ‘ADM’, ‘INT’ and ‘PEN’ reference on the HIX 820 Transaction?

Answer: On the HIX 820 Transaction, ‘ADM’ stands for administrative charges, ‘INT’ stands for interest charges and ‘PEN’ stands for penalties.

# FAQ 6

Question: What is the most recent version of the Dispute and Discrepancy Resolution Form?

Answer: The most recent version of the Dispute and Discrepancy Resolution Form is Version 2, available at https://www.REGTAP.info in the Payments-Remittance Message (X12 HIX 820) section of the REGTAP Library.

# FAQ 7

Question: What does Record Code Type 02 signify in the RCNO file?

Answer: The 02 Record in the RCNO file refers to the summary record that corresponds to the 01 detail records.

# FAQ 8

Question: Should Issuers reject a HIX 820 transaction if the file does not contain a Federally-facilitated Marketplace (FFM) Policy ID for a payment?

Answer: No. The PPR and HIX 820 transactions are generated anytime there are program or policy-level payments to the Issuer. Program-level payments will never include an FFM Policy ID.

# FAQ 9

Question: Where can Issuers locate error codes used in connection with the Dispute and Discrepancy Resolution Form?

Answer: Issuers can find the Dispute and Error Code List in the supporting document entitled 'Payment Dispute and Disposition Error Codes (v1) (03/14/16)' available at https://www.REGTAP.info in the Payments-Remittance Message (X12 HIX 820) section of the REGTAP Library.

# FAQ 10

Question: Will the CMS calculate the 25 percent variance between the Manual Payment Process and Policy-based Payments (PBP) process for the year-to-date (YTD) or month by month?

Answer: CMS will base the 25 percent cap on variation between the Monthly Payment Process and PBP process on the total Year-to-Date (YTD) payments.

# FAQ 11

Question: What is the file naming convention for the Dispute and Discrepancy Resolution Form beginning April 1, 2016?

Answer: The naming convention for the Dispute and Discrepancy Resolution Form beginning April 1, 2016 is TPID.COG.ERRS.Dyymmdd.Thhmmssmmm.P.IN

# FAQ 12

Question: How does the Centers for Medicare & Medicaid Services (CMS) define the term 'upper bound'?

Answer: 'Upper bound' refers to an independent validation CMS conducts based upon all non-cancelled Federally-facilitated Marketplace (FFM) enrollments. CMS uses this information to check the validity of Manual Workbook submissions.

# FAQ 13

Question: Are SHOP Issuers required to process premium payment remittance information for SHOP subscribers?

Answer: The SHOP program area has a HIX 820 transaction separate from the PBP Process. Issuers should only expect the SHOP User Fee on the PBP HIX 820 and PPR.

# FAQ 14

Question: How do Issuers 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.
For RA transactions, the markets designations are as follows:
I (Individual)
L (Small Group)
T (Catastrophic)
M (Merged)

# FAQ 15

Question: What is the difference between the 'RA' and 'RAD' Risk Adjustment payment type codes?

Answer: The payment type code RA is used for Risk Adjustment transfer payment transactions and the payment type code RAD is used for Risk Adjustment default charge transactions.

# FAQ 16

Question: Will newly-transitioning Payee receive a separate PPR for 2015 restatements?

Answer: For Payees in which Issuers are newly transitioning, Issuers will receive a separate PPR for 2015 restatements during the first payment cycle that Issuer transitions to Policy-based Payments (PBP). Once an Issuer is fully transitioned to PBP, the Issuer will receive only one (1) 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 |
| PSV | Pipe-separated value |
| SBM | State-based Marketplace |
| SHOP | Small Business Health Options Program |

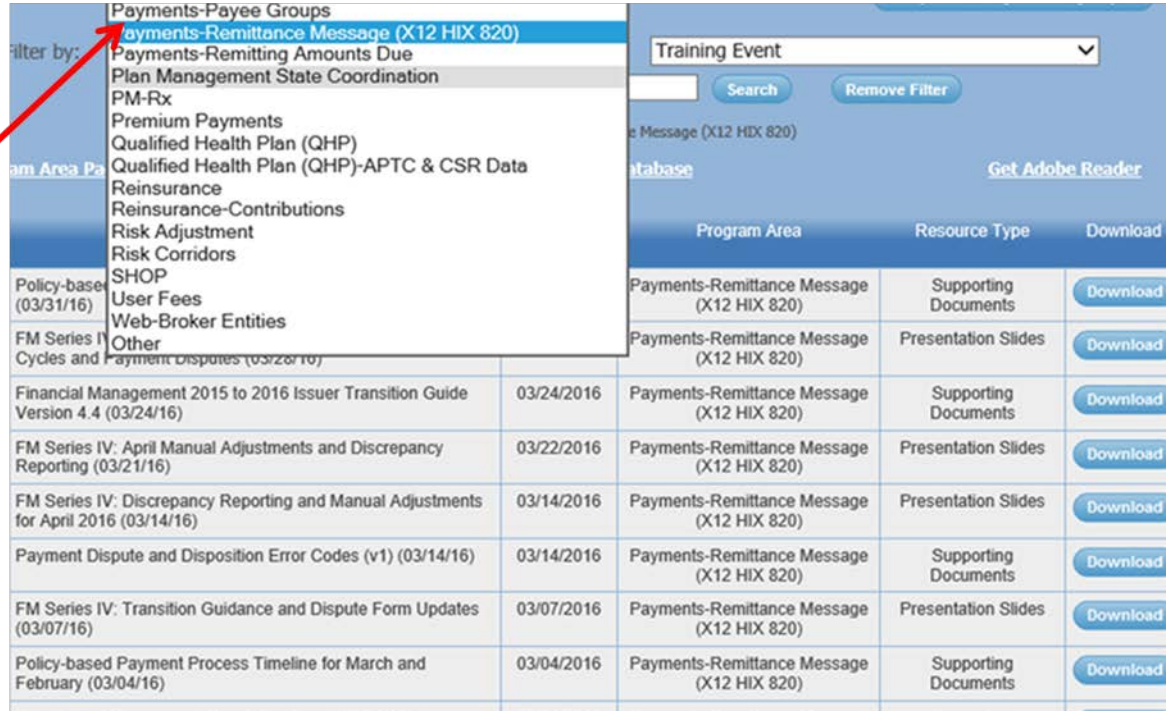
# Resources

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

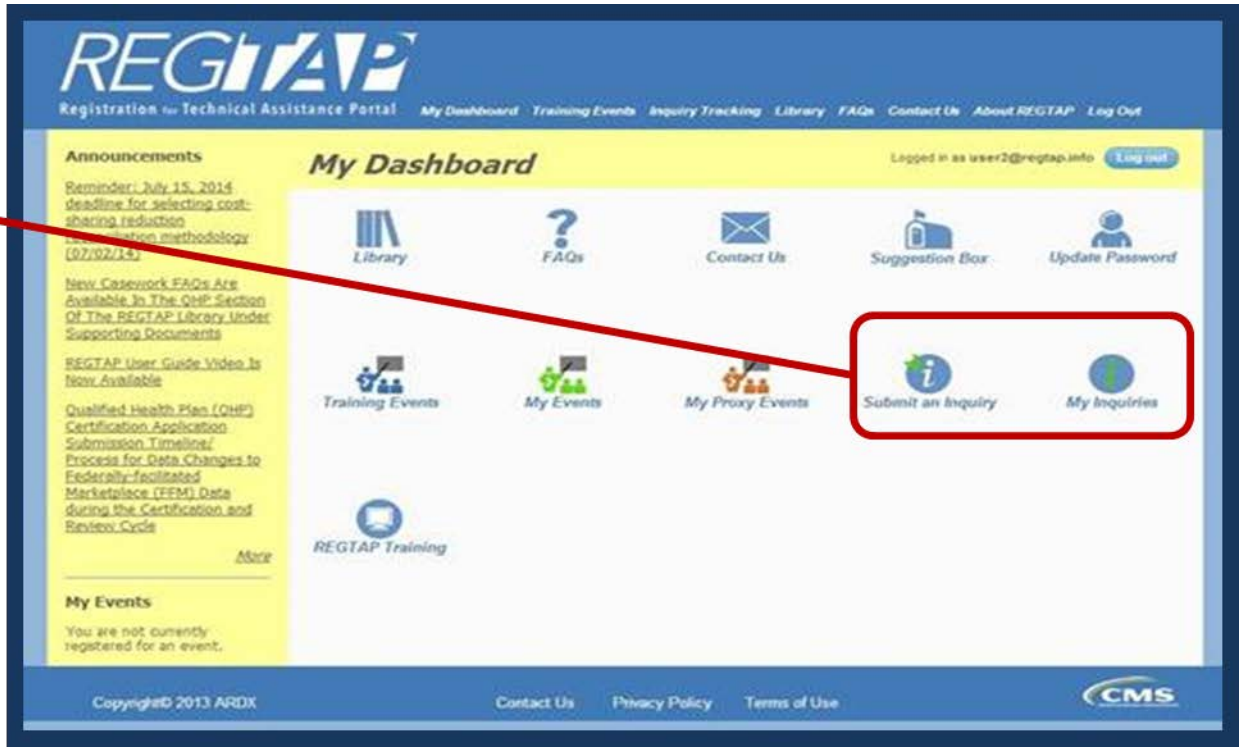
Under Program Area, select "Payments – Remittance Message (X12 HIX 820)"



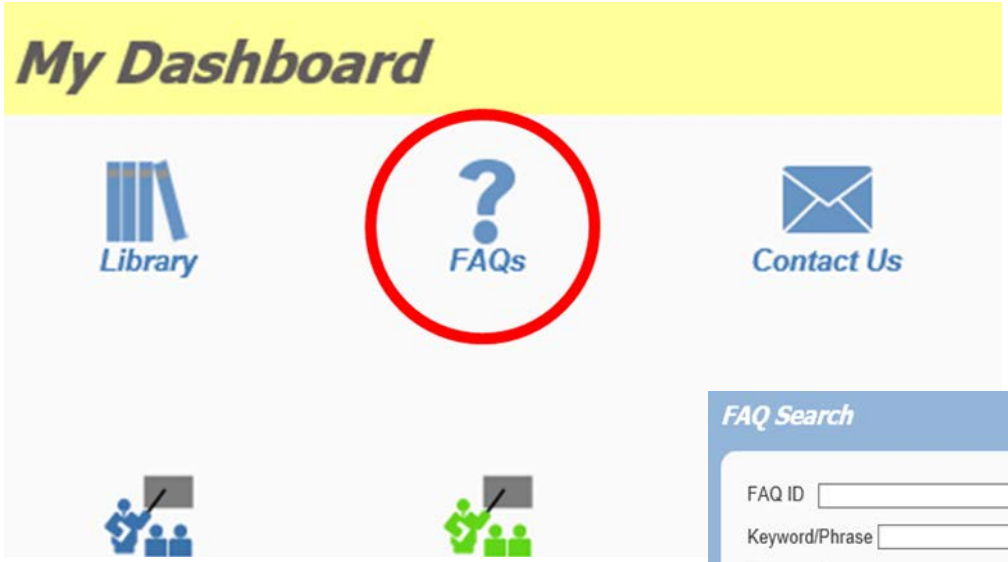
# Inquiry Tracking and Management System (ITMS)

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

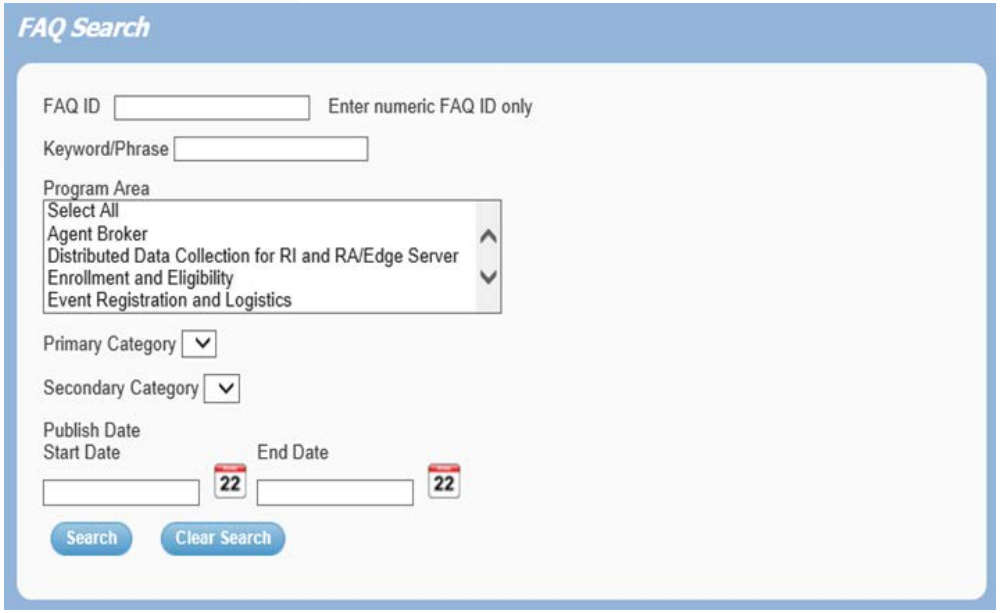
Select “Submit an Inquiry” from My Dashboard.



# 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*