

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



Date: February 7, 2017

Subject: Delayed Implementation of CMS Guidance on Transfer of Accumulated Cost Sharing in Cost-Sharing Reduction Plan Variations during the Benefit Year

In the December 16, 2016, *Transfer of Accumulated Cost Sharing in Cost-sharing Reduction Plans* guidance, the Centers for Medicare & Medicaid Services (CMS) clarified the process issuers should follow for transferring accumulators when enrollees move to a new cost-sharing reduction (CSR) plan variation of the standard plan during the benefit year.¹ The guidance is a response to consumer feedback that, when enrollees moved to a lower benefit CSR variation, certain issuers did not transfer cost-sharing amounts paid in the original plan to the new plan's deductible, thereby effectively requiring enrollees who had met their annual maximum limitation in the original plan to meet a deductible before obtaining reduced cost sharing in the second plan.

However, in consideration of the operational burden that the December 16, 2016 guidance would impose on issuers for the 2017 Benefit Year, CMS is delaying implementation of this clarifying guidance on how cost sharing should be transferred until after the 2017 Benefit Year. During 2017, CMS will work with the issuer community to determine the least burdensome way to implement this accumulator policy and make appropriate modifications or clarifications.

We note that 45 C.F.R. §156.425(b) continues to require QHP issuers to carry over accumulated cost-sharing paid by enrollees in the course of a benefit year when the enrollee switches to a different cost-sharing plan variation or to the standard plan of the same QHP.

¹ https://www.regtap.info/uploads/library/FT_CSRcarryover_5CR_121616.pdf