Policy-based Payments:
Preliminary Payment Reports, 2015 Pilot, and Discrepancy Reporting

July 29, 2015

Financial Management Series II

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Agenda

- Introduction
  - Series Overview
  - Session Purpose
- FFM Policy-based Payments Overview
- 2015 Enrollment Information
- Preliminary Payment Reports

- 2015 Pilot
- Payment Discrepancy Reporting
- Frequently Asked Questions (FAQs)
- Q&A
- Closing
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Series Purpose

The purpose of this series is to provide Issuers with a complete overview of the end-to-end Policy-based Payments Process including:

- Effectuating Enrollments

- Receiving Payments

- 2015 Pilot

- Discrepancy Reporting

- Health Insurance Exchange (HIX) 820 Payment Transactions

Series Overview

Series II contains four (4) unique sessions to provide Issuers with an overview of the Financial Management Policy-based Payments Process.

To maximize the learning experience, Qualified Health Plan (QHP) Issuers should attend all sessions.

Series Overview (Continued)

Session	Target Audience	Date of Session	Session Title
1	FFM and SBM Issuers	July 15, 2015	End-to-End Overview of Policy-based Payments Process
2	FFM and SBM Issuers	July 29, 2015	Preliminary Payment Reports, 2015 Pilot and Discrepancy Reporting
3	FFM and SBM Issuers	August 5, 2015	Payments, Invoices and HIX 820
4	FFM and SBM Issuers	August 19, 2015	2015 to 2016 Transition to Policy-based Payments

Session Guidelines

- This is the second webinar in the four-part series.

- It is a 90-minute webinar session.

- FAQs will be posted to REGTAP in the coming weeks.

Intended Audience

- Associations

- Consumer Operated and Oriented Plan (CO-OP) Program

- Stand-Alone Dental Plans (SADP)

- Federally-Facilitated Marketplace (FFM) Issuers

- State-Based Marketplaces (SBMs)

- SBM Issuers

- Vendors/Third Party Administrators (TPAs)

- Small Business Health Options Program (SHOP) Issuers

Session Purpose

The purpose of this session is to provide an overview of Preliminary Payment Reports, the 2015 Onboarding Pilot, and Discrepancy Reporting.

Next Steps for Policy-based Payments Readiness

Next Steps for Policy-based Payments Readiness

1. Email THIS WEEK to confirm readiness to the following: CMS_Issuer_Communications@cms.hhs.gov and CMS_FEPS@cms.hhs.gov with subject line "HIX 820 Testing: Confirm Readiness." Include all Payee IDs for which you are confirming readiness in the email.

2. Once you receive the 820 Test File in your EFT Single Point of Contact (SPOE) folder, send us back a 999 file. You will receive one file per Payee. If your EFT setup is configured for "PUSH" mechanism, the 820 files would have been delivered to your server folders.

   o 820 files are identified by looking at the second qualifier in the file name, where you will see the function code "F820". The file naming structure for the HIX 820 files is: [Trading Partner ID]. F820.D150529.T124846968.T.

Next Steps for Policy-based Payments Readiness (Continued)

3. Participate in all require activities to submit current and correct enrollment data to the FFM:

    o Submit your monthly reconciliation files. If your file fails to submit one month, submit both files the next month.

    o The first submission due date for issuers failing the previous run is Thursday, August 6.

    o The submission due date for all issuers is Thursday, August 20.

4. Submit your Inbound 834 Enrollment Files to the FFM.

Sending TA1 / 999 files: Troubleshooting

Issue	Resolution
Do not know how to send a TA1 (Technical Acknowledgment)/ 999 (Functional Acknowledgment) Response file	If you need further guidance on how to send the TA1/999 response file or would like to setup a support call to discuss further, please send your inquiry to: CMS_Issuer_Communications@cms.hhs.gov and use the subject line < HIX 820 Testing – Issuer Support Needed>
Sent the 999 response but cannot send TA1 due to technical issues	If you are unable to send TA1 response files, please email: CMS_Issuer_Communications@cms.hhs.gov and use the subject line < HIX 820 Testing – TA1/999 Technical Issue> and provide the file name of your 999 response file, along with your company name, 5-digit HIOS ID and 6-digit Payee ID.

Sending TA1 / 999 files: Troubleshooting (Continued)

Issue	Resolution
Cannot identify the correct 820 test file in destination folder and/or cannot confirm if file was received	If you are unable to identify the correct file following the information in paragraph 2 above, please send a request to: CMS_Issuer_Communications@cms.hhs.gov with the subject line: <HIX 820 Testing: Resend 820 Test File> and CMS will have the file resent to you.
Sent the TA1/999 response file but status is not updating as having sent.	If you sent your TA1/999 response file but CMS is not showing you as having sent it, please email: CMS_Issuer_Communications@cms.hhs.gov use the subject line < HIX 820 Testing – TA1/999 Technical Issue> and provide the file name of your TA1/999 response file, along with your company name, 5-digit HIOS ID and 6-digit Payee ID.

FFM Policy-based Payments Overview

FFM Policy-based Payments Overview

- Currently, CMS uses the Manual Payment Process to make monthly payments.

- CMS is targeting a January 2016 implementation for Policy-based Payments for FFM Issuers.

- With the transition to Policy-based Payments, CMS will calculate payment amounts and enrollment numbers based on effectuated enrollment information from the Issuers.

- The Policy-based Payments Process allows CMS to:

  o Make more accurate payments

  o Provide accurate policy-level details to justify those payment amounts

FFM Policy-based Payments Overview (Continued)

- Implementation of Policy-based Payments will include:

  o APTC, CSR and FFM User Fee calculations based on effectuated enrollment information from FFM Issuers and the Enrollment Reconciliation Process.

  o Partial-month/proration calculation for policies that are effectuated after the first of the month that result in less than one (1) full-month of coverage.

  o A HIX 820 Payment Report providing payment remittance information at the policy-level.

  o A Payment Discrepancy Reporting Process for Issuers to report any APTC, CSR or FFM User Fee discrepancies at the policy-level.

Note Regarding SBMs

CMS is still working with SBMs and their Issuers to determine a timeline to transition to Policy-based Payments later in 2016. Until this transition is complete, SBMs and their Issuers will continue to process payments through the Manual Payment Process.

2015 Enrollment Reconciliation Information

Monthly Enrollment Reconciliation

- The FFM engages in a monthly reconciliation process in order to maintain accurate and up-to-date enrollment records.

- On a designated date, the FFM extracts enrollment data to initiate the reconciliation process. This file is sent to Issuers and is called the "Pre-Audit" File.

- The FFM reconciles this FFM enrollment data with Issuer-submitted enrollment data and makes necessary updates to the FFM.

- The results of the reconciliation are sent to the Issuers in a report

Enrollment Reconciliation Process

1. FFM retrieves data from internal database

2. FFM Generates a Pre-Audit XML file

3. HUB validates Pre Audit XML file and transfers to Issuers in X12 PSV format

4. Issuers review Pre-Audit File, reconcile with their system, and send Inbound Enrollment Reconciliation PSV File to FFM for reconciliation

5. Updated Pre-Audit File and results of reconciliation sent to Issuers

Enrollment Information and Policy-based Payments

Once the FFM has completed the Enrollment Reconciliation Process, including any updates from the Discrepancy Reporting Process that have been resolved and can be applied to the FFM, the FFM aggregates premium, APTC/CSR, and User Fee data, and calculates User Fees in order to make payments to Issuers.

Preliminary Payment Report

Preliminary Payment Reports

- Once policies have been effectuated and reconciled, the Enrollment Payment System (EPS) takes key financial elements from those enrollment profiles and aggregates policy data to the Payee level.

- This mid-month process will result in Payees receiving a Preliminary Payment Report (PPR).

  o The PPR is a pipe-separated file and contains all the policy-level payment details for a Payee.

Pipe-separated File Example

After Pipe-separating:

11	Issuer ID|Issuer APTC Total($)\|Issuer CSR Total($)|Issuer UF Total($)|Last Name|First Name|Middle Name|Name Prefix|Name Suffix|Exchange Assigned Subscriber |
12	12482|398.14|418.88|-69.83|Brockyaar|CHARLES|null|null|null|0000071021|12482AR001000101|000017054371021|null|null|174.19|UF|-6.1|null|null|20150801|2015
13	12482|398.14|418.88|-69.83|Brockyaar|CHARLES|null|null|null|0000071021|12482AR001000101|000017054371021|null|null|null|APTC|56.57|null|null|20150801|201
14	12482|398.14|418.88|-69.83|Copelandyaar|MARTIN|null|null|null|0000071112|12482AR001000201|000017088371112|null|null|null|APTC|99.99|null|null|20150801|
15	12482|398.14|418.88|-69.83|Copelandyaar|MARTIN|null|null|null|0000071112|12482AR001000201|000017088371112|null|null|197.47|UF|-6.91|null|null|20150801|
16	12482|398.14|418.88|-69.83|Egglestonar|Betty|null|null|null|0000074352|12482AR001000302|000018197974352|null|null|null|CSR|68.72|null|null|20150801|20150
17	12482|398.14|418.88|-69.83|Egglestonar|Betty|null|null|null|0000074352|12482AR001000302|000018197974352|null|null|197.53|UF|-6.91|null|null|20150801|2015
18	12482|398.14|418.88|-69.83|Nicholasar|Linda|null|null|null|0000074343|12482AR001000302|000018188074343|null|null|null|CSR|63.82|null|null|20150801|201508
19	12482|398.14|418.88|-69.83|Landersar|John|null|null|null|0000074340|12482AR001000302|000018184774340|null|null|null|CSR|57.18|null|null|20150801|2015083
20	12482|398.14|418.88|-69.83|Landersar|John|null|null|null|0000074340|12482AR001000302|000018184774340|null|null|169.1|UF|-5.92|null|null|20150801|2015083
21	12482|398.14|418.88|-69.83|Kiddnaar|Harold|null|null|null|0000074269|12482AR001000302|000017423274269|null|null|null|APTC|0|null|null|20150801|20150831
22	12482|398.14|418.88|-69.83|Landersar|John|null|null|null|0000074340|12482AR001000302|000018184774340|null|null|null|APTC|0|null|null|20150801|20150831
23	12482|398.14|418.88|-69.83|Nicholasar|Linda|null|null|null|0000074343|12482AR001000302|000018188074343|null|null|204.26|UF|-7.15|null|null|20150801|20150
24	12482|398.14|418.88|-69.83|Egglestonar|Betty|null|null|null|0000074352|12482AR001000302|000018197974352|null|null|null|APTC|0|null|null|20150801|2015083
25	12482|398.14|418.88|-69.83|Kiddnaar|Harold|null|null|null|0000074269|12482AR001000302|000017423274269|null|null|152.52|UF|-5.34|null|null|20150801|201508
26	12482|398.14|418.88|-69.83|Nicholasar|Linda|null|null|null|0000074343|12482AR001000302|000018188074343|null|null|null|APTC|0|null|null|20150801|20150831
27	12482|398.14|418.88|-69.83|Kiddnaar|Harold|null|null|null|0000074269|12482AR001000302|000017423274269|null|null|null|CSR|66.23|null|null|20150801|201508
28	12482|398.14|418.88|-69.83|Whitleyar|Randy|null|null|null|0000074367|12482AR001000304|000018206774367|null|null|null|CSR|70.05|null|null|20150801|201508
29	12482|398.14|418.88|-69.83|Whitleyar|Randy|null|null|null|0000074367|12482AR001000304|000018206774367|null|null|null|APTC|99.97|null|null|20150801|20150
30	12482|398.14|418.88|-69.83|Bookerar|RUSSIAN|null|null|null|0000060088|12482AR001000304|000016719460088|null|null|238.03|UF|-8.33|null|null|20150801|201
31	12482|398.14|418.88|-69.83|Bookerar|RUSSIAN|null|null|null|0000060088|12482AR001000304|000016719460088|null|null|null|CSR|92.88|null|null|20150801|20150
32	12482|398.14|418.88|-69.83|Bookerar|RUSSIAN|null|null|null|0000060088|12482AR001000304|000016719460088|null|null|null|APTC|74.78|null|null|20150801|201
33	12482|398.14|418.88|-69.83|Whitleyar|Randy|null|null|null|0000074367|12482AR001000304|000018206774367|null|null|181.01|UF|-6.34|null|null|20150801|20150
34	12482|398.14|418.88|-69.83|Fitzgeraldvaar|HELEN|null|null|null|0000071199|12482AR001000401|000017120671199|null|null|152.86|UF|-5.35|null|null|20150801|20

Each field is separated by a pipe character

Preliminary Payment Report Scenarios

- The following shows the PPR schema and business rules

Preliminary Payment Report Example

Sample Preliminary Payment Reports will be posted to REGTAP

Transaction Set Control	54
Run Date	06/23/2015 3:06
Payee ID	K012001
Payment Method Code	NON
Policy-Based Transition M	201505
Total Payment($)	413.36
Payee APTC Total($)	256.53
Payee CSR Total($)	193.46
Payee UF Total($)	-36.63

Issuer ID	Issuer APTC Tot	Issuer CS	Issuer UF Tota	Last Name	First N	Exchange Assigned {	Exchange Assigned QI	Exchange Assigned	Policy Total Premiu	Excha	Payment Amoun	Coverage Period Start Da	Coverage Period End Da
12482	256.53	193.46	-36.63	Brockyaar	CHARLE	71021	12482AR001000101	17054371021	174.19	UFADJ	-6.1	20150501	2015053
12482	256.53	193.46	-36.63	Brockyaar	CHARLE	71021	12482AR001000101	17054371021 null		APTCAD	56.57	20150501	2015053
12482	256.53	193.46	-36.63	Copelandyaa	MARTIN	71112	12482AR001000201	17088371112 null		APTCAD	99.99	20150501	2015053
12482	256.53	193.46	-36.63	Copelandyaa	MARTIN	71112	12482AR001000201	17088371112	197.47	UFADJ	-6.91	20150501	2015053
12482	256.53	193.46	-36.63	Landersar	John	74340	12482AR001000302	18184774340 null		CSRADJ	57.18	20150501	2015053
12482	256.53	193.46	-36.63	Kiddnaar	Harold	74269	12482AR001000302	17423274269	152.52	UFADJ	-5.34	20150501	2015053
12482	256.53	193.46	-36.63	Kiddnaar	Harold	74269	12482AR001000302	17423274269 null		CSRADJ	66.23	20150501	2015053
12482	256.53	193.46	-36.63	Landersar	John	74340	12482AR001000302	18184774340	169.1	UFADJ	-5.92	20150501	2015053
12482	256.53	193.46	-36.63	Whitleyar	Randy	74367	12482AR001000304	18206774367	181.01	UFADJ	-6.34	20150501	2015053
12482	256.53	193.46	-36.63	Whitleyar	Randy	74367	12482AR001000304	18206774367 null		APTCAD	99.97	20150501	2015053
12482	256.53	193.46	-36.63	Whitleyar	Randy	74367	12482AR001000304	18206774367 null		CSRADJ	70.05	20150501	2015053
12482	256.53	193.46	-36.63	Barberar	INGEBOR	60041	12482AR001000501	16700760041	171.91	UFADJ	-6.02	20150501	2015053

2015 Pilot

2015 Pilot Testing Timeline

Date	Event
August 15, 2015	Deadline for FFM Issuers to have completed 820 connectivity testing
September 2015	CMS begins sending PPRs for 2015 to Payees

2015 Pilot (Continued)

- As part of the 2015 Pilot, CMS will:

  o Identify any enrollment-related issues affecting payments

  o Identify any payment discrepancies

Note to Issuers: Certain policy characteristics, such as partial-month premiums, are under development and will not be reflected on the PPR during the pilot.

2015 Pilot and the Preliminary Payment Report

- During the Pilot, CMS will provide Issuers with a PPR for each month of 2015.

- Issuers may choose to compare the PPR with their system's enrollment information and respond with any discrepancies.

While no actual payments will be made from this pilot, it allows CMS to ensure EPS is in alignment and reporting payments as expected.

Preliminary Payment Report Scenarios
(Continued)

CMS will be posting a Preliminary Payment Report Package to REGTAP. This will include:

- Preliminary Payment Report Schema and Business Rules.
- Sample Enrollment Information with Policy-Level Characteristics.
- Eight Preliminary Payment Reports based on Policy-level Characteristics.
- This will provide issuers with what to expect on their Preliminary Payment Reports during the pilot.

Payment Discrepancy Reporting

Discrepancy Reporting in the Manual Payment Process

- Currently, Issuers may report any discrepancies to APTC, CSR and User Fee payments in the Enrollment & Payment Data Workbook restatement tabs.

- Issuers may email the marketplace payments mailbox at marketplacepayments@cms.hhs.gov with any unresolved payment discrepancies.

- Issuers are required to restate 2015 enrollment and payment data using the Workbook during the transition to Policy-based Payments in early 2016.

- Once PPRs are implemented, Issuers will review the mid-month PPR as part of the Discrepancy Reporting Process.

Payment Discrepancy Reporting

- Once Payees receive PPRs in 2016, they are asked to respond with any identified payment discrepancies.

- When a discrepancy is identified, Payees will use an Excel template to submit discrepancies via EFT to the ER&R Contractor.

- CMS, along with the ER&R Contractor, investigates the discrepancies and provides feedback, and takes action (as needed).

- Any changes to a payment or charge will be reflected in a future month's PPR and HIX 820 Payment Transaction.

Discrepancy Reporting to Include Payments

- Enrollment discrepancies are submitted as disputes when enrollment data between the FFM and Issuer records do not match

- When FFM and Issuer records match, but an unexpected payment discrepancy occurs, Issuers must submit a formal payment dispute

- Payment disputes must be submitted for the following:

  - An expected payment was not received

  - A duplicate payment was received

  - A PPR payment amount does not match the pre-audit amount

    - Note: the FFM and the Issuer enrollment amounts match, but the payment amount received is different than what was expected

- Issuers who identify enrollment discrepancies on the PPR should submit an enrollment dispute using the existing dispute process.

Invalid Submission Reasons

- Issuers should not submit a formal payment discrepancy if:

  o An Issuer does not receive a PPR or HIX 820 Payment Transaction.

  o Discrepancy is related to an enrollment dispute.

Payment Discrepancy Reporting Template

- Issuers must report identified payment discrepancies on the Discrepancy Reporting Template.

- The Discrepancy Reporting Template will contain the following fields to report payment discrepancies for Issuers to complete:

  o PPR Control Number
  o Exchange Assigned Policy ID
  o Payment Period
  o Dispute Type
  o Payment Type Code
  o Issuer Value
  o FFM Value
  o Comments

Discrepancy Reporting Scenarios

- The following is an example of a payment discrepancy form

Discrepancy Reporting Scenarios (Continued)

	Point of Contact Name							
	Telephone Number							
	Email Address							
	HIOS							
	Report Type	Preliminary Report						
	Report Month							

	Preliminary Report Control Number or 820 EFT Trace Number	*Exchange Assigned Policy ID*	*Payment Period*	*Dispute Type*	*Payment Type Code*	*Issuer Value*	*FFM Value*	*Issuer Comments*
Example	123456789	654321	20150701-20150731	*Missing*	APTC	$100.00	$0.00	
Example	123456789	654321	20150701-20150731	*Duplicate*	APTC	$100.00	$100.00	
Example	123456789	654321	20150701-20150731	*Duplicate*	APTCADJ	$100.00	$100.00	
Example	123456789	654321	20150701-20150731	*Duplicate*	CSR	$25.00	$25.00	
Example	123456789	654321	20150701-20150731	*Duplicate*	CSRADJ	$25.00	$25.00	
Example	123456789	654321	20150701-20150731	*Duplicate*	UF	$25.00	$25.00	
Example	123456789	654321	20150701-20150731	*Duplicate*	UFADJ	$25.00	$25.00	

Discrepancy Reporting Scenarios

- The Payment Discrepancy Template and business rules will be posted to REGTAP.

The Financial Management Coordination Center (FMCC)

Financial Management Coordination Center (FMCC)

- CMS has established a Financial Management Coordination Center (FMCC) to support Issuer onboarding and readiness for Policy-based Payment processing.

- FMCC Service Representatives have already begun working with 2015 FFM Issuers with onboarding activities and will begin reaching out to new 2016 Issuers and SBM Issuers.

Financial Management Coordination Center (FMCC) (Continued)

- The FMCC will also support the following activities:

  o **HIX 820 Individual Market Testing** – Support the HIX 820 Individual Market EDI Onboarding Process and coordinate with Issuers throughout the 820 Testing Process.

  o **Policy-based Payments Readiness Verification** – Coordinate resolution of functional and technical enrollment and payment issues affecting Issuer readiness during the Policy-based Payments Preliminary Payment Pilot.

  o **Issuer Communication** – Provide a single point of communication to and from Issuers for sharing information related to Policy-based Payments.

Financial Management Coordination Center (FMCC) (Continued)

- The FMCC will provide Issuer support beginning in 2016 in the following areas:

  o **Enrollment Reconciliation** – Engaging Issuers to address reconciliation file submission errors; obtain clarity on data anomalies.

  o **Inbound 834 Processing** – Proactively educating Issuers and select SBMs to improve rate of successful transactions, and reactively to address failed transactions.

Policy-Based Payments: Are You Ready?

To be ready to receive Policy-Based Payments, all issuers must currently:

1. Email to confirm readiness to receive an 820 test file (no later than **THIS WEEK**).

2. Send TA1 / 999 response to the 820 test file (no later than **8/15**).

3. Be successfully participating in submitting complete, current enrollment data to the FFM (**already underway**).

   1. Submit successful monthly recon files EVERY MONTH; submit twice in any month after a failed submission.

   2. Successfully submit IC834s to the FFM.

Frequently Asked Questions (FAQs)

FAQ 1

Question: Will the PPR contain both program-level payment information and policy-level payment information?

Answer: The PPR will contain both program-level and policy-level payment information.

FAQ 2

Question: Should Issuers report discrepancies found in the PPR as well as discrepancies found in the HIX 820 Transaction?

Answer: The PPR and HIX 820 will always match at the policy-level. Issuers may use either to report discrepancies.

FAQ 3

Question: When will a resolved discrepancy appear on the HIX 820 Payment Transaction?

Answer: This will vary, depending on processing time.

FAQ 4

Question: Can CMS provide further detail regarding the HIX 820 onboarding pilot testing and functionality testing to take place in 2015?

Answer: CMS plans to begin the alpha testing for the HIX 820 onboarding pilot around the beginning of August. Pilot testing will take place with a few Issuers. CMS will begin sending files to all Issuers in September 2015.

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*

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

Inquiry Tracking and Management System (ITMS)

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

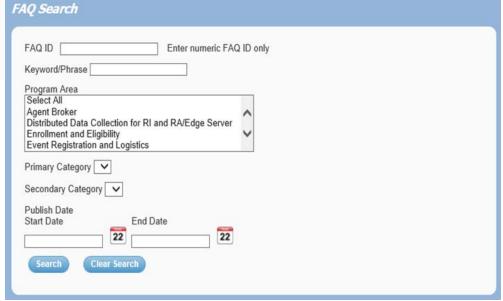Select "Submit an Inquiry" from My Dashboard.

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

WWW.REGTAP.INFO