2015 Pilot and Discrepancy Reporting

August 26, 2015

Financial Management Series II

Agenda

- Introduction
  - Series Overview
  - Session Purpose
- Upcoming Training Sessions
- Policy-based Payments (PBP) Overview
- 2015 Pilot
- Discrepancy Reporting
- Frequently Asked Questions (FAQs)
- Q&A
- Closing
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Series Overview

Series II contains five (5) unique sessions to provide Issuers with an overview of the Financial Management (FM) PBP Process.

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

Series Purpose

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

- Effectuating Enrollments
- Receiving Payments
- 2015 Pilot
- Discrepancy Reporting
- Health Insurance Exchange (HIX) 820 Payment Transaction

Series Overview (Continued)

Session	Target Audience	Date of Session	Session Title
1	FFM and SBM Issuers	July 15, 2015	End-to-End Overview of PBP 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 PBP
5	FFM and SBM Issuers	August 26, 2015	2015 Pilot and Discrepancy Reporting

Session Guidelines

- This is the fifth webinar in the five-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)
- 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 a brief overview of Policy-based Payments
- Discuss the 2015 Pilot
- Provide Issuers with additional information regarding Payment Discrepancy Reporting.

Upcoming Training Sessions

Upcoming Training Sessions

- CMS will continue to roll-out training series throughout the year and into next year.
- The FM Series III Schedule is available in REGTAP at www.regtap.info and registration is open. FM Series III will provide additional information related to testing, timelines, HIX 820 scenarios, and guidance related to PBP and the transition to 2016.
  - FM Series III will alternate between content sessions and Q&A sessions.
  - The Q&A sessions will provide time for Issuer questions and feedback.

FM Series III Dates: September 2015

Date of Session	Time	Target Audience	Session Title
August 31, 2015	2:00 – 3:00 p.m. ET	FFM and SBM Issuers	Q&A Session
September 14, 2015	2:00 – 3:30 p.m. ET	FFM and SBM Issuers	Webinar
September 21, 2015	2:00 – 3:00 p.m. ET	FFM and SBM Issuers	Q&A Session
September 28, 2015	2:00 – 3:30 p.m. ET	FFM and SBM Issuers	Webinar

Upcoming Guidance and Documentation Updates

- CMS submitted new HIX 820 scenarios to be posted to the X12 website at http://examples.x12.org/.
- CMS submitted new Payment Type Codes and Report Type Codes to be posted to the WPC website at http://www.wpc-edi.com/reference/.
- CMS will also post a comprehensive document which outlines the 2015 to 2016 Financial Management Transition Plan including testing timelines.

Policy-based Payments Overview

Have you heard from the FMCC?

- The Financial Management Coordination Center (FMCC) has begun outreach to all Issuers.
  - If you are the key person at your organization who represents PBP or HIX 820 and have not been in contact with the FMCC, please send an e-mail to FMCC@cms.hhs.gov to confirm readiness.
  - Provide your Health Insurance Oversight System (HIOS) Issuer ID or Payee Group ID.
  - Provide the name and e-mail of the contacts so the FMCC can add the contact information.

Policy-based Payments: Are You Ready?

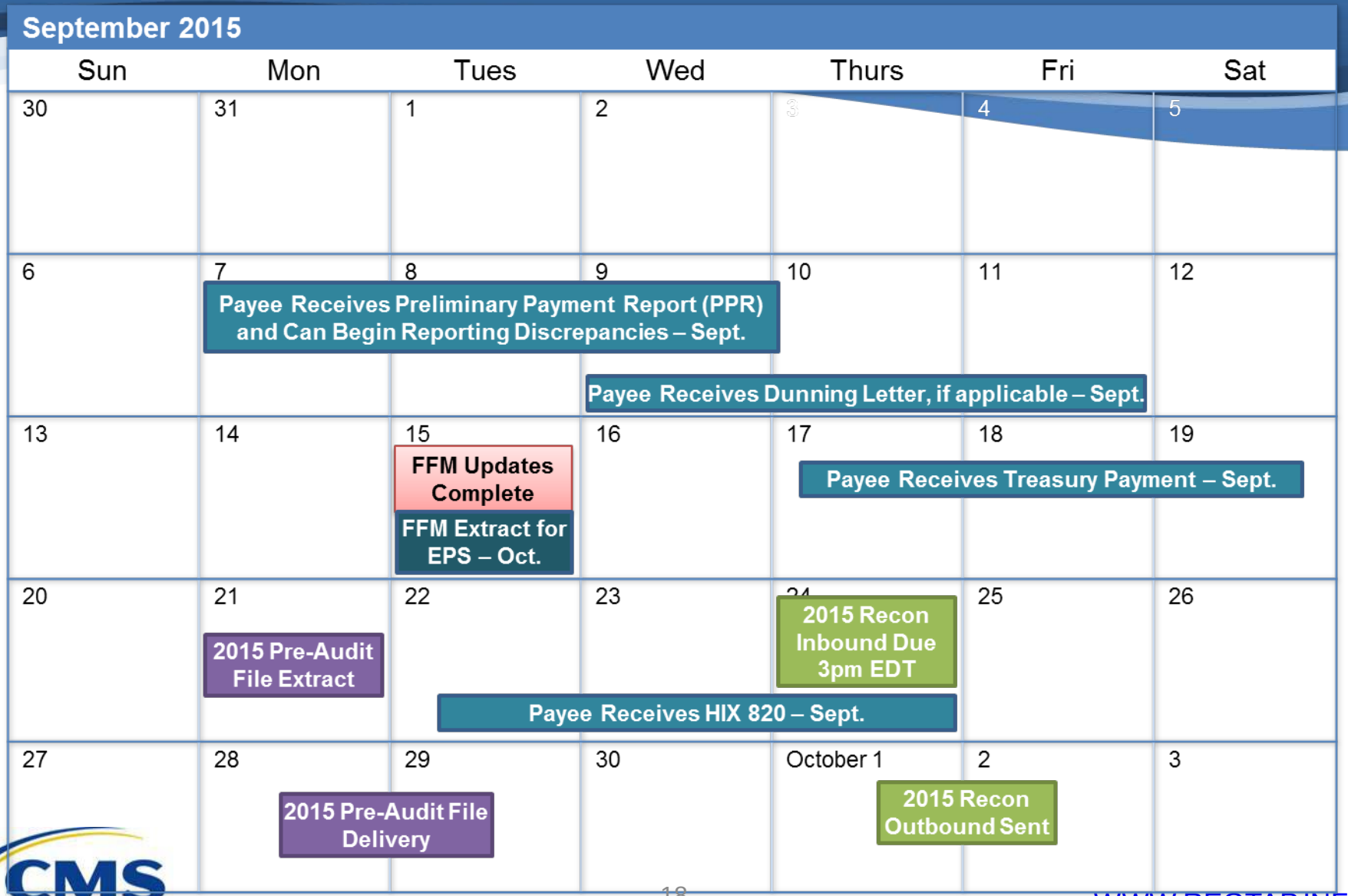
- Issuers will have:
  1. Sent an email to FMCC@cms.hhs.gov to confirm readiness to receive an 820 test file by **August 1, 2015**.
     - **If Issuers have not done so, they should contact their FMCC Service Representative as soon as possible.**
  2. Sent a TA1/999 response to the 820 test file by **August 15, 2015**.

Policy-Based Payments: Are You Ready? (Continued)

- Issuers must participate in the Enrollment Reconciliation Process by submitting complete and current enrollment data to the FFM (**already underway**). Issuers must:
  - Successfully submit reconciliation files EVERY MONTH; if Issuers fail any submission, Issuers may be required to submit twice in any month.
  - Successfully submit inbound 834s to the FFM.

2015 Pilot

September 2015 PBP Calendar



2015 Pilot

In August 2015, CMS began an onboarding pilot with select Issuers to validate that the effectuated enrollment and payment data in EPS aligns with Issuers' records using 2015 production data.

2015 Pilot (Continued)

As part of the 2015 Pilot, CMS will:

- Identify any enrollment-related issues affecting payments.
- Identify any payment discrepancies.

Note to Select Issuers: Certain policy characteristics, such as partial-month premiums, are under development and will not be reflected on the Preliminary Payment Report (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 should 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 will allow CMS to ensure EPS is in alignment and reporting payments are as expected.

New FMCC Email Address

Issuers may contact the FMCC using the updated email address: FMCC@cms.hhs.gov.

Discrepancy Reporting

Background

- Payments for APTC and CSR and User Fees are based on member enrollment information.
- When an Issuer identifies a problem with an APTC, CSR or User Fee payment, it is the Issuer's responsibility to determine the cause of the payment problem.
- Payment problems can be caused by incorrect enrollment information or system issues.
- There are tools that can be used to determine if a payment problem is enrollment related or a system issue, such as the:
  - Monthly PPR
  - HIX 820 Payment Transaction
  - Pre-Audit file

Discrepancy Reporting in the Manual Payment Process

- Currently, Issuers may report any discrepancies to APTC, CSR and User Fee payments for 2015 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 can continue to restate enrollment and payment data using the Workbook during the transition to PBP in early 2016.
- Once PPRs are implemented, Issuers will review the mid-month PPR as part of the Discrepancy Reporting Process.

Future Discrepancy Reporting Process

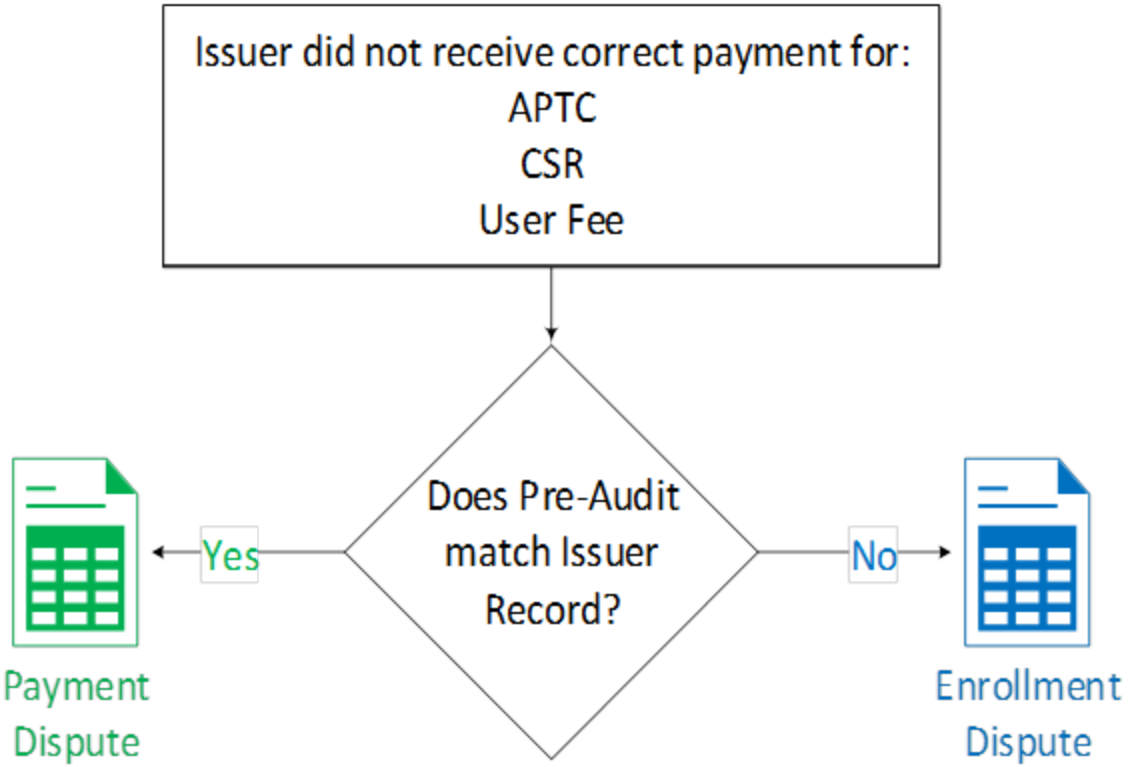
- Payees are required to report payment discrepancies identified in the PPR or the HIX 820 beginning in 2016.
  - Payees are encouraged to test the discrepancy reporting process during the 2015 Pilot Phase.
- When a payment discrepancy is identified, Payees **must** use the approved Excel template **and** submit discrepancies via EFT to the ER&R Contractor.
- CMS, along with the Enrollment Reconciliation and Resolution (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.

Dispute Types: Payment vs Enrollment

- A **payment discrepancy** is possible only when the Pre-Audit matches the Issuer system.
- An **enrollment discrepancy** is any discrepancy in which the Pre-Audit does not match the Issuer system.
  - Note: Many discrepancies are resolved through an automated process when the issuers transmit their RCNI files each month
- Issuers should closely examine their systems to:
  - Correctly identify whether a discrepancy exists.
  - Determine whether it is a Payment or Enrollment discrepancy dispute.
- Payment disputes cannot be determined or resolved until enrollment discrepancies for the same policy and period are resolved.

Discrepancy Dispute

How to distinguish between a Payment Dispute and an Enrollment Dispute



Payment Discrepancy Disputes: FFM's Pre-Audit and Issuer's System Data Match

- **If a Payment is Missing From the PPR or 820 and:**
  - Pre-Audit shows APTC/CSR/Total Premium amounts for same policy and period, and
  - Issuer system shows exact same APTC/CSR/Total Premium amounts for same policy and period,
    - Then the Issuer Action is: Report as a Missing Payment dispute.

- **If a Payment is Duplicated From the PPR or 820 and:**
  - Pre-Audit shows one APTC/CSR/Total Premium amount for same policy and period, and
  - Issuer system shows exact same one APTC/CSR/Total Premium amount for same policy and period,
    - Then the Issuer Action is: Report as a Duplicate Payment dispute.

- **If a Payment From the PPR or 820 is Different Than the Matching Pre-Audit/Issuer Values and:**
  - Pre-Audit shows an APTC/CSR/Total Premium amount for same policy period, and
  - Issuer system shows exact APTC/CSR/Total Premium amount for same policy period,
    - Then the Issuer Action is: Report as Mismatch Payment dispute.

Payment Discrepancy Dispute: Missing Payment

Scenario:

- FFM Pre-audit file and Issuer have matching values for APTC in the amount of $56.57 for policy 17054371021.
- Upon receipt of the PPR for same Payment Period, the APTC for policy 17054371021 is not included.

Pre-Audit Snapshot

(excerpt)

<Pre-audit field 68>	<Pre-Audit field 70>	*<Issuer System>*
Exchange-Assigned Policy Number	Applied APTC Amount	*Applied APTC Amount*
17054371021	56.57	56.57

Preliminary Payment Report

(excerpt)

Issuer ID	Exchange Assigned Policy ID	Exchange Payment Type	Payment Amount	Coverage Period Start Date	Coverage Period End Date

Policy Payment Discrepancy

HIOS ID	*Preliminary Report Control Number or 820 EFT Trace Number*	*Exchange Assigned Policy ID*	*Payment Period*	*Dispute Type*	*Payment Type Code*	*Issuer Value*	*Payment Value*	*Issuer Comments*
12345	*123456789*	17054371021	20150701-20150731	*Missing*	*APTCADJ*	$56.57	$0.00	*Missing payment of $56.57 for policy 17054371021.*

Payment Discrepancy Dispute: Duplicate Payment

Scenario:

- FFM Pre-audit file and Issuer have matching values for APTC in the amount of $56.57 for policy 17054371021.
- Upon receipt of the PPR for same Payment Period, policy 17054371021 shows two APTC values, each for $56.57.

Pre-Audit Snapshot

(excerpt)

<Pre-audit field 68>	<Pre-Audit field 70>	*<Issuer System>*
Exchange-Assigned Policy Number	Applied APTC Amount	*Applied APTC Amount*
17054371021	56.57	56.57

Preliminary Payment Report

(excerpt)

Issuer ID	Exchange Assigned Policy ID	Exchange Payment Type	Payment Amount	Coverage Period Start Date	Coverage Period End Date
12482	17054371021	APTCADJ	56.57	20150701	20150731
12482	17054371021	APTCADJ	56.57	20150701	20150731

Policy Payment Discrepancy

HIOS ID	*Preliminary Report Control Number or 820 EFT Trace Number*	*Exchange Assigned Policy ID*	*Payment Period*	*Dispute Type*	*Payment Type Code*	*Issuer Value*	*Payment Value*	*Issuer Comments*
12345	*123456789*	17054371021	20150701-20150731	*Duplicate*	*APTCADJ*	$56.57	$56.57	*Received two payments of $56.57 for policy 17054371021.*

Payment Discrepancy Dispute: Mismatch

Scenario:

- FFM Pre-audit file and Issuer have matching values for APTC in the amount of $56.57 for policy 17054371021.
- Upon receipt of the PPR for same Payment Period, policy 17054371021 shows an APTC value of $50.00.

Pre-Audit Snapshot

(excerpt)

<Pre-audit field 68>	<Pre-Audit field 70>	*<Issuer System>*
Exchange-Assigned Policy Number	Applied APTC Amount	*Applied APTC Amount*
17054371021	56.57	56.57

Preliminary Payment Report

(excerpt)

Issuer ID	Exchange Assigned Policy ID	Exchange Payment Type	Payment Amount	Coverage Period Start Date	Coverage Period End Date
12482	17054371021	APTCADJ	50.00	20150701	20150731

Policy Payment Discrepancy

HIOS ID	*Preliminary Report Control Number or 820 EFT Trace Number*	*Exchange Assigned Policy ID*	*Payment Period*	*Dispute Type*	*Payment Type Code*	*Issuer Value*	*Payment Value*	*Issuer Comments*
12345	*123456789*	17054371021	20150701-20150731	*Mismatch*	*APTCADJ*	$56.57	$50.00	*Payment value is different than matching FFM & Issuer enrollment values.*

Enrollment Discrepancy Disputes: FFM's Pre-Audit and Issuer's System Data Do Not Match

- **If a Payment is Missing From the PPR or 820 and:**
  - Pre-Audit does not contain policy for same payment period, and
  - Issuer system shows an APTC/CSR/Total Premium amount for same policy and period,
    - Then the Issuer Action is: Report as an Issuer Orphan enrollment dispute.
- **If a Payment is Missing From the PPR or 820 and:**
  - Pre-Audit shows an APTC/CSR/Total Premium amount for same policy and period, and
  - Issuer system shows a different APTC/CSR/Total Premium amount for same policy and period,
    - Then the Issuer Action is: Report as an APTC, CSR, or Total Premium enrollment dispute.
- **If a Payment is Missing From the PPR or 820 and:**
  - Pre-Audit shows an APTC/CSR/Total Premium amount for same policy and period, and
  - Issuer system does not contain policy for same payment period,
    - Then the Issuer Action is: Report as an FFM Orphan enrollment dispute.

Enrollment Discrepancy Disputes:
FFM's Pre-Audit and Issuer's System Data Do Not Match (continued)

- **If a Payment is Duplicated on the PPR or 820 and:**
  - Pre-Audit does not contain policy for same period, and
  - Issuer system shows an APTC/CSR/Total Premium amount for policy and period,
    - Then the Issuer Action is: Report as an Issuer Orphan enrollment dispute. This scenario should be identified when enrollment discrepancies (not disputes) are worked.
- **If a Payment is Duplicated on the PPR or 820 and:**
  - Pre-Audit shows an APTC/CSR/Total Premium amount for same policy period, and
  - Issuer system does not contain policy for same policy period,
    - Then the Issuer Action is: Report as an FFM Orphan enrollment dispute. This scenario should be identified when enrollment discrepancies (not disputes) are worked.
- **If the Payment From the PPR or 820 is different Than the Pre-Audit Value and the Issuer Value (all 3 are discrepant) and:**
  - Pre-Audit shows an APTC/CSR/Total Premium amount for same policy period, and
  - Issuer system shows different APTC/CSR/Total Premium amount for same policy period,
    - Then the Issuer Action is: Report as an APTC, CSR, or Total Premium enrollment dispute.

Enrollment Discrepancy Dispute: Mismatch

Scenario:

- FFM Pre-audit file and Issuer have different values for APTC. The FFM amount has $35.88 and the Issuer has $56.57 for policy 17054371021. Upon receipt of the PPR for same Payment Period, policy 17054371021 shows an APTC value of $35.88.

Pre-Audit Snapshot

(excerpt)

(Pre-audit field 68>	<Pre-Audit field 70>	<Issuer System>
Exchange-Assigned Policy Number	Applied APTC Amount	Applied APTC Amount
17054371021	35.88	56.57

Preliminary Payment Report

(excerpt)

Issuer ID	Exchange Assigned Policy ID	Exchange Payment Type	Payment Amount	Coverage Period Start Date	Coverage Period End Date
12482	17054371021	APTCADJ	35.88	20150701	20150731

Policy Payment Discrepancy

FFM Internal Inventory Number for record in dispute	*Description of Disputed Item DO NOT INCLUDE PII IN THIS AREA*	*Issuer Value*	*FFM Value*	*Issuer Comments*
0000000000	*APTC Amount mismatch in Pre-Audit snapshot*	*$56.57*	*$35.88*	

Key Points

- Enrollment disputes must be submitted 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 payment dispute.
- Payment disputes must be submitted for the following:
  - An expected payment was not made
  - A duplicate payment was made
  - A PPR or 820 payment amount does not match the matching Pre-Audit and Issuer amount
  - **Note**: the FFM and the Issuer amounts match, but the payment amount received is different than what was expected
- Issuers who identify enrollment discrepancies from the PPR should submit an enrollment dispute using the existing dispute process.

Invalid Submissions

- Issuers should not submit a payment discrepancy dispute if any one (1) of these is true:
  1. An Issuer does not receive a PPR or HIX 820 Payment Transaction.
  2. A discrepancy is an enrollment discrepancy dispute rather than a payment discrepancy dispute.
  3. A payment discrepancy dispute has already been reported for the payment coverage period.

Policy Payment Discrepancy Reporting Template

Point of Contact Name _____
Telephone Number _____
Email Address _____

Report Type Preliminary Report
Payee ID _____
Report Month _____

	HIOS ID	Preliminary Report Control Number or 820 EFT Trace Number	Exchange Assigned Policy ID	Payment Period	Dispute Type	Payment Type Code	Issuer Value	Payment Value	Issuer Comments
Example	12345	123456789	654321	20150701-20150731	Duplicate	APTC	#######	$100.00	Received two payments of $100 for policy 654321.
Example	12345	123456789	123456	20150701-20150731	Missing	APTC	#######	$0.00	Missing payment of $100.00 for policy 123456.
Example	12345	123456789	223456	20150701-20150731	Mismatch	APTC	#######	$50.00	Payment value is different than matching FFM & Issuer enrollment values.

Instructions | Discrepancy Dispute | **Policy Payment Discrepancy** | 1095 Issue | Rejected Auto-Renewal | Reinstatement of Cancels

Tentative Timeline

Example: 2015 Policy Based Payments (PBP)
Calendar Cycle

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Oct 4	Oct 5	Oct 6	Oct 7	Oct 8	Oct 9	Oct 10
						PPR -->
Oct 11	Oct 12	Oct 13	Oct 14	Oct 15	Oct 16	Oct 17
<-- PPR				FFM Enrollment Updates Complete		
Oct 18	Oct 19	Oct 20	Oct 21	Oct 22	Oct 23	Oct 24
			Treasury Payment			
Oct 25	Oct 26	Oct 27	Oct 28	Oct 29	Oct 30	Oct 31
	Pre-Audit delivered		820			
Nov 1	Nov 2	Nov 3	Nov 4	Nov 5	Nov 6	Nov 7
Nov 8	Nov 9	Nov 10	Nov 11	Nov 12	Nov 13	Nov 14
		PPR				
Nov 15	Nov 16	Nov 17	Nov 18	Nov 19	Nov 20	Nov 21
FFM Enrollment Updates Complete						Treasury Payment -->
Nov 22	Nov 23	Nov 24	Nov 25	Nov 26	Nov 27	Nov 28
<-- Treasury Payment						820 -->
Nov 29	Nov 30	Dec 1	Dec 2	Dec 3	Dec 4	Dec 5
<-- 820						

Key: October Payment | November Payment | December Payment

Formal Review Process

- Issuers may file an appeal only after completing the Discrepancy Reporting Process.
- There is a three-level Administrative Appeals Process:
  - Request for Reconsideration
  - Informal Hearing before the CMS Hearing Officer
  - Review by CMS Administrator (or delegate) (at the discretion of the CMS Administrator)

Frequently Asked Questions (FAQs)

FAQ 1

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

Answer: This will vary, depending on processing time.

FAQ 2

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

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

FAQ 3

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 report discrepancies using either the PPR or the HIX 820 Transaction.

FAQ 4

Question: What will the CMS send out to Issuers as part of 2015 pilot testing?

Answer: Issuers will receive a test HIX 820 Transaction and the PPR as part of the 2015 pilot.

FAQ 5

Question: Can CMS clarify the difference between an enrollment discrepancy and a payment discrepancy?

Answer: An enrollment discrepancy is an event in which an issuer believes there is an error in CMS' enrollment data. A payment discrepancy is an event in which an Issuer did not receive the appropriate payment amount from CMS. CMS makes payments to Issuers based upon enrollment information. Most payment discrepancies will be the result of enrollment discrepancies.

FAQ 6

Question: In what folder will Issuers receive the PPR file from CMS?

Answer: The PPR files will be routed to the same EFT folder location as the HIX 820 transaction.

FAQ 7

Question: What is the PPR's function code?

Answer: The function code for the PPR will be I820.

FAQ 8

Question: What is the program-level payment type code for APTC, CSR and UF?

Answer: The program-level (2300 Loop only with no 2100) Payment Type code will show up APTCMADJ, CSRMADJ, and UFMADJ.

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*

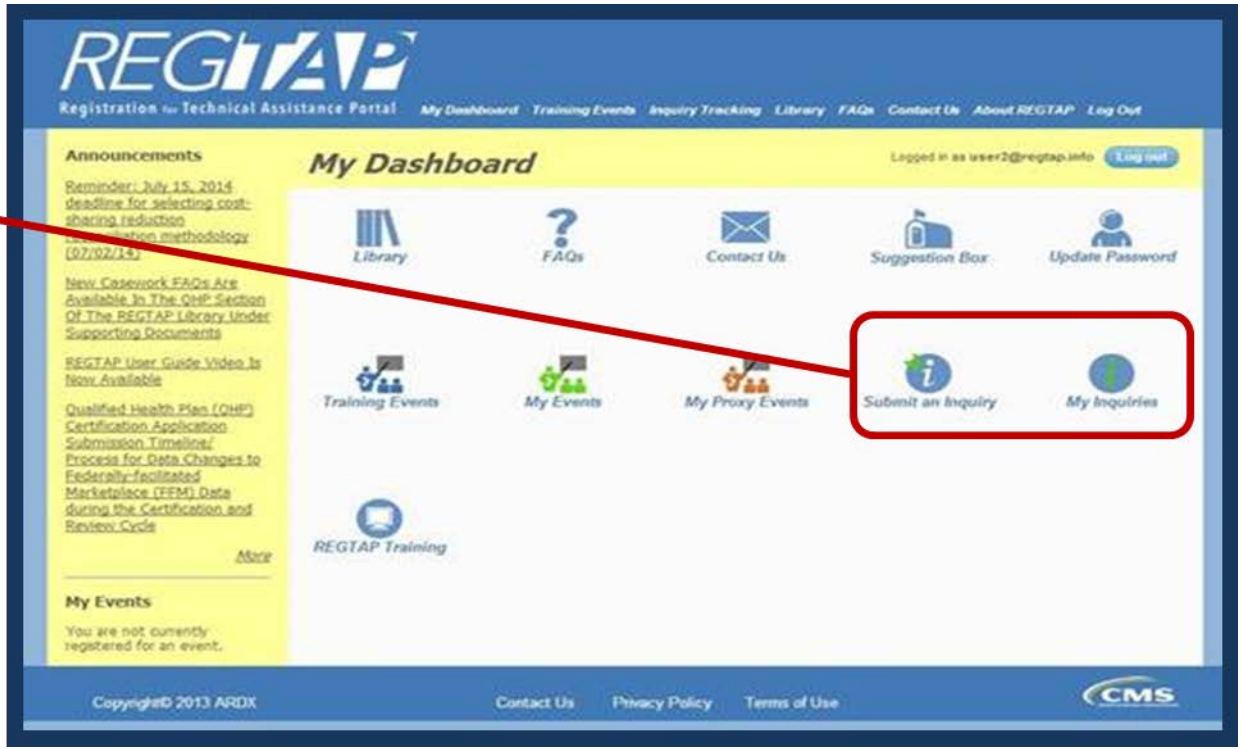
Resources

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

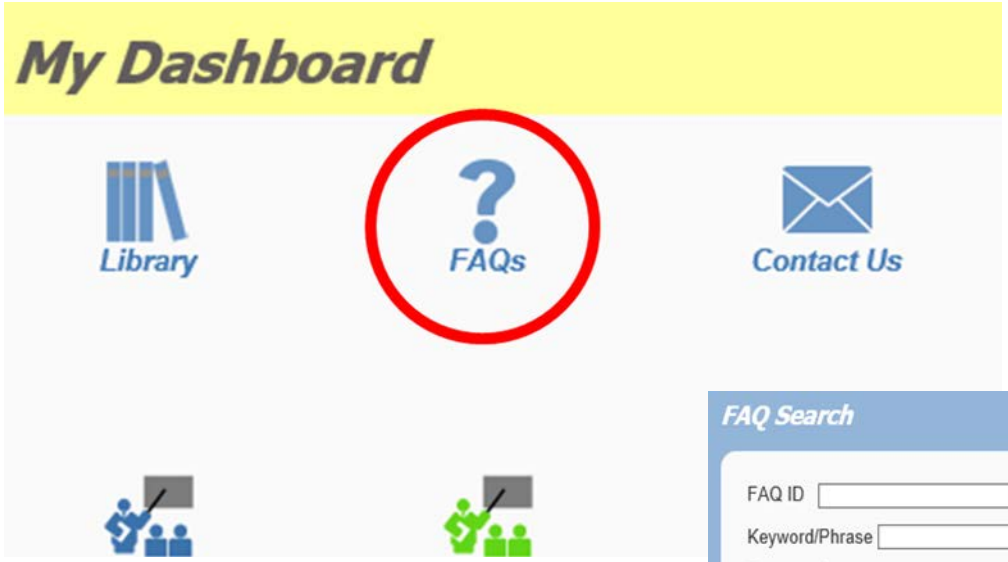
Inquiry Tracking and Management System (ITMS)

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

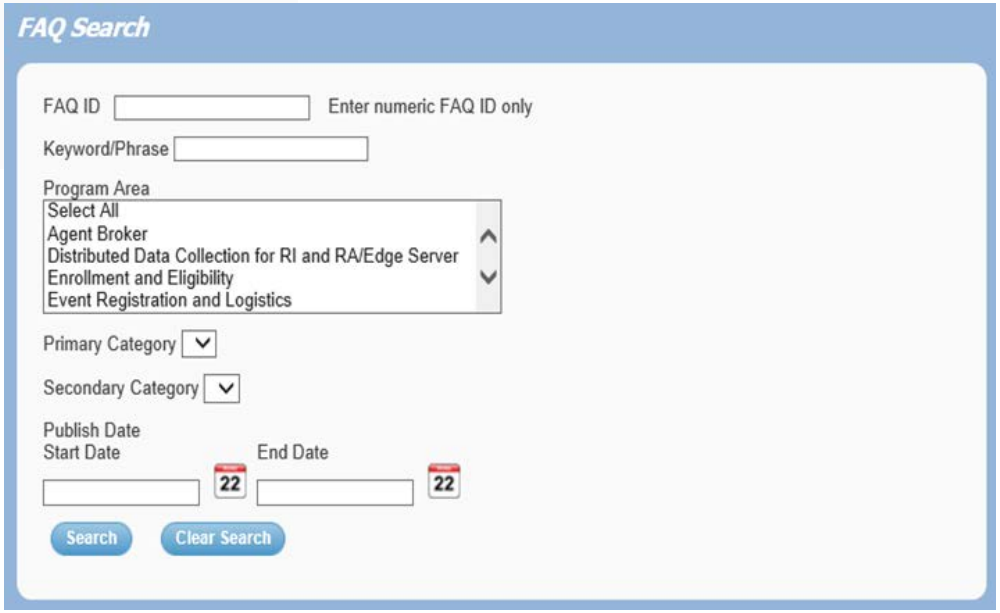
Select “Submit an Inquiry” from My Dashboard.



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