FM Payment Processing Series II

Manual Adjustments for Policy Based Payments, Monthly Invoice Updates, and Payment Dispute Guidance

December 11th, 2017

Division of Financial Transfers and Operations (DFTO)

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

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Agenda

- Policy-based Payments (PBP): Manual Adjustments
- Monthly Invoices Update
- Payment Dispute Guidance

Policy-based Payments (PBP): Manual Adjustments

Manual Adjustments for FFE, SBE, and FFE-SP Issuers

- Temporary Manual Adjustment for FFE and SBE-FP Issuer Transition
- Temporary Manual Adjustments for SBE Issuer Transition

Temporary Manual Adjustments for FFE and SBE-FP Issuer

January and February 2018 Policy-based Payments (PBP):

- Historically, advance payments in the January and February monthly payment cycles experience a lag caused by premium collection and reporting of policy effectuations beyond the December 15th cutoff for payment reporting.
- Centers for Medicare & Medicaid Services (CMS) will make a temporary manual adjustment (Upper Bound) to the January and February 2018 PBP for Federally-facilitated Exchange (FFE) Issuers and Issuers in State-based Exchanges using the Federal platform (SBE-FP) offering major medical plans.
- This adjustment is intended to mitigate the cash flow impact of the transition to 2018 for FFE and SBE-FP Issuers on PBP.
- The Upper Bound adjustments will be applicable to only APTC and UF payments and charges and will not apply to CSR which has been discontinued as of October 2017 payment cycle.
- Adjustment(s) will show on the Issuers' Preliminary Payment Report (PPR) and HIX-820s as two separate manual adjustments to APTC and User Fees.

Temporary Manual Adjustments for FFE and SBE-FP Issuers (continued)

January and February 2018 PBP Upper Bound Adjustment:

- CMS will calculate this adjustment using a payment estimate equal to 80 percent of the estimated PBP on effectuated enrollment plus enrollment still in "initial" status (i.e., "Upper Bound").
- If the Issuer's calculated PBP are less than 80 percent of this amount, CMS will apply an adjustment to increase the Issuer's advance payment, net of FFM user fees, up to the 80 percent threshold.
- CMS will not make any downward payment adjustments to Issuers whose total calculated Policy-based Payments equal or are above the 80 percent threshold.

CMS defines the Payment Upper Bound as the payment that would be due for all non-cancelled enrollment (regardless of effectuation status)

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Temporary Manual Adjustments for FFE and SBE-FP Issuer Transition (continued)

Reversing Upper Bound Manual Adjustments:

February 2018:

- If there was an Upper Bound Adjustment for January 2018, CMS will reverse this temporary manual adjustments in February 2018 payment cycle and recalculate the Upper Bound to see if the year-to-date total Policy-based Payment reached the 80 percent threshold.
  - If the 80 percent threshold is reached, no other temporary adjustments will be made and Issuer will be paid on system calculated PBP amounts only from this point forward.
  - If the 80 percent threshold is not reached, one last temporary Upper Bound adjustment will be made for February 2018 payment cycle which will be reversed in March 2018 payment cycle.

Temporary Manual Adjustments for FFE and SBE-FP Issuer Transition (continued)

Reversing Upper Bound Manual Adjustments

March 2018:

- If there was an Upper Bound Adjustment for February, 2018 Payment cycle, CMS will reverse this temporary Upper Bound manual adjustments in March 2018 Payment cycle. This would be the last Upper Bound reversal. All future payments will be made on system calculated PBP amounts only.
- All Issuers from this point will be paid based on system calculated PBP amounts.
- Adjustment(s) will show on the Issuers' Preliminary Payment Report (PPR) and HIX-820s as two separate manual adjustments to APTC and User Fees.

Temporary Manual Adjustments for SBE Issuer Transition

- Issuers that transition to PBP will receive their Preliminary Payment Reports (PPRs) and 820s with policy-level details.
- To allow for a smooth transition and minimize financial impact to Issuers, CMS has created a temporary payment adjustment process to be applied for the first few months of 2018 (timing to be worked out with the SBE).
- This adjustment will be the difference between an Issuer's Manual Payment workbook submission and Policy-based Payment calculated amounts.
- CMS will add program-level temporary manual adjustments to the Issuers' PPR and HIX 820 to make the payment amount match what the Issuer submitted in the Manual Payment workbook (1A) process.

Temporary Manual Adjustments for SBE Issuer Transition (continued)

- The temporary manual payment adjustment may increase or decrease the Policy-based Payment calculated payment for that month.
- For the month after the last temporary adjustment month, CMS will adjust that month's PBP amount to account for the reversal of temporary manual payment adjustments applied when the payment was based on the manual payment workbooks. This will true-up payments for those months to PBP system calculations.

Temporary Manual adjustments for Payees with Issuers in both FFE and SBE

- If applicable, there would be a temporary Upper Bound adjustment for January 2018 and/or February 2018 which would be reversed by March 2018 payment cycle.
- If the Payee also has an SBE Issuers in one of the SBE's that have been transitioned to Policy Level Payment (PBP), they would also see additional temporary adjustment amounts by program to true-up to work book submitted amounts which would be reversed at the end of the transition period. The transition period will be decided in consultation with the SBE's.
- You would see both these scenarios in your PPR's and HIX 820's if you have both an FFE Issuer with temporary Upper Bound adjustments and an SBE Issuer which has been transitioned to PBP.
- Examples of both these type of temporary adjustments are provided in the appendix.

Monthly Invoices Update

Electronic Monthly Invoices

- Beginning in early 2018, in addition to sending invoices via USPS mail, invoices will be sent electronically to the primary contact listed in the Vendor Management module.
- Payments must be submitted electronically via pay.gov on or before the payment due date indicated on the Initial Invoice Letter to prevent the accrual of interest charges and administrative fees.
- Please review the "Payment Instructions" section on your Invoice Letter or the Pay.gov user guide available at https://www.pay.gov/public/form/start/66895913 for instructions on how to submit payment.
- CMS requires Issuers to maintain current payee group information in the FM Application in HIOS. To update your payee group's information including your billing/mailing address, please log-in to the FM Module of HIOS.
- If you have any questions related to the FM module and making billing address updates to correct your mailing address, email address, or payee group information please contact the CMS Vendor Management Team at Vendor_Management@cms.hhs.gov

Payment Dispute Guidance

Payment Dispute Guidance

Presentation Outline:

I. Common Errors: Handling R6 Codes
II. Common Errors: Handling R10 & R11 Codes
III. New Detail Codes:
- PD627
- PD629
- PD630

Submitting Payment Disputes

Please submit your Payment Disputes!

- Submit a Payment Dispute for any record perceived to be incorrect
- Issuers may submit large volumes of disputes without impeding processing time

Common Errors: R6 Disposition Code

Disputes are rejected with an R6 Disposition Code if the disputed value is not supported by the Issuer values within the RCNI file

The most common Detail Code resulting in an R6 disposition is **PD552**:

- **PD552**: The Issuer is disputing an Unexpected payment; however, a matching RCNI record was found with the Issuer Premium Paid Indicator set to Y.
  - *To cancel the policy, the Issuer must input "C" in the Issuer Premium Paid Indicator Field on their next RCNI submission.*

Common Errors: Handling R10 & R11 Codes

- ER&R has received many identical Payment Disputes that had been previously assigned an R10 or R11 disposition code.
- The R10 & R11 disposition codes are only used for Prior Year disputes.
- These disputes cannot be resolved through the payment dispute process since 2016 Recon has ended. Issuers should evaluate the policy status in Pre Audit and submit an Enrollment Dispute to resolve any discrepancy.
- Please ensure that you have procedures in place to address cases that are returned with R10 & R11 disposition codes through an Enrollment Dispute.
- Issuers can access the Enrollment Dispute Form on zONE:
  - zONE page: https://zone.cms.gov/document/enrollment-resolution-and-reconciliation
  - File Name: Enrollment_Dispute_Form_v10_20170901.xlsx

Disputed Financial Field Level Flag set to "I"

- New Detail Code: **PD627**
- **PD627** applies to incorrect or missing Payment Disputes where the disputed financial value's field-level flag is "I"
  - **ER&R Contractor Action:** Update FFM data with the new total premium
  - **CMS Action:** Process subsequent payment adjustments within 1-2 cycles
  - **Issuer Action:** Review the Semi-Monthly Detailed Report to check for any changes to the status of the dispute and ensure payment is received within 2 cycles
- **PD627** results in Disposition Code: *I1 – In Process*

Approved Missing Payment Dispute Code

- New Detail Code: **PD629**
- **PD629** applies to approved missing Payment Disputes where the disputed policy was canceled and now needs to be effectuated or reinstated by the FFM
  - **ER&R Contractor Action:** Effectuate or reinstate the policy in the FFM data
  - **CMS Action:** Process subsequent payment adjustments within 1-2 cycles
  - **Issuer Action:** Review the Semi-Monthly Detailed Report to check for any changes to the status of the dispute and ensure payment is received within 2 cycles
- **PD629** results in Disposition Code: *I1 – In Process*

Unexpected Payments on Canceled Policies

- New Detail Code: **PD630**
- **PD630** applies to unexpected Payment Disputes on policies that were canceled by the Issuer
  - **ER&R Contractor Action:** Update FFM data by canceling the policies
  - **CMS Action:** Process subsequent payment adjustments within 1-2 cycles
  - **Issuer Action:** Review the Semi-Monthly Detailed Report to check for any changes to the status of the dispute and ensure payment is received within 2 cycles
- **PD630** results in Disposition Code: *I1 – In Process*

Questions?

To submit or withdraw questions by phone:

- Dial ***#** (star-pound) on your phone's keypad to ask a question
- Dial ***#** (star-pound) on your phone's keypad to withdraw your question

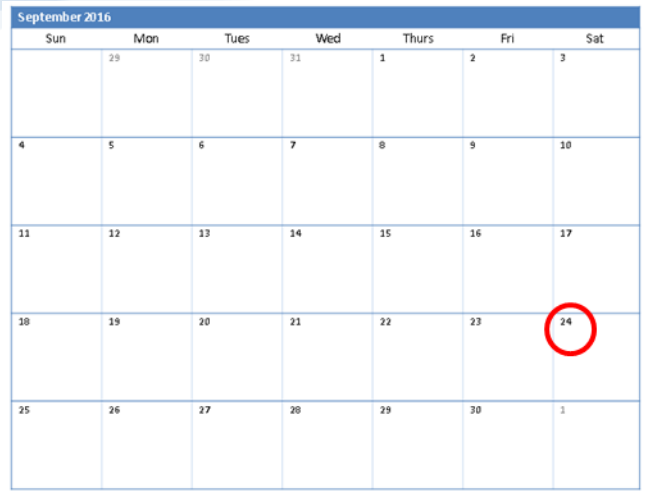
To submit questions by webinar:

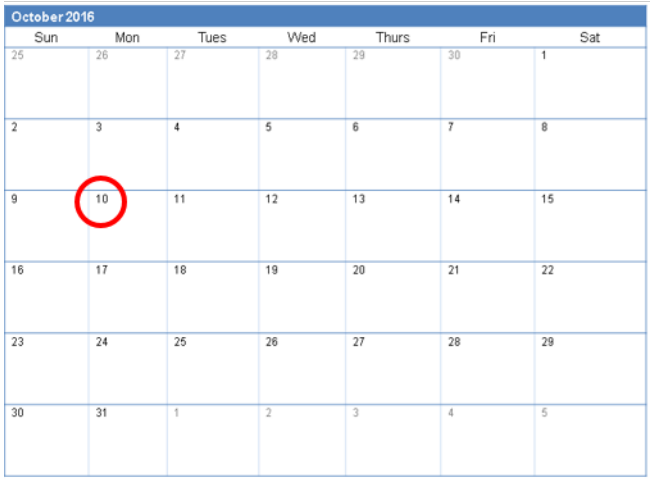
- Type your question in the text box under the 'Q&A' tab

APPENDIX

Vendor Management and Payment Activity Key Dates

Vendor Management Reminders





- Payee group information is used to direct program payments to your organization and provides the designated contact information in the event that CMS has a need to contact you. Maintaining your corporate billing address ensures that invoices will be delivered timely avoiding the accrual of interest and late fees.
- The Financial Management (FM) module is open from the 11th through the 24th of each month and closes on the 25th of each month through the 10th of the following month during the payment processing execution. All updates made to your payee group require internal approval from your organization prior to CMS having access to review and approve your record. To ensure that updates to your records are accepted and applied in the system, the updates need your approval two (2) business days prior to the 25th of the month.

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Vendor Management Reminders
(continued)

Records that are not approved or remain in an incomplete status, at the time of module closing, jeopardize ACA program payments for that cycle

- If your edits include changes to your banking information, your financial institution is required to fax a Bank Verification Letter (BVL) directly to CMS at 443-380-5196 to allow CMS to approve these updates. In the interim, payments will be processed using the most recent **approved** banking information
- You can reach the CMS Vendor Management Team at Vendor_Management@cms.hhs.gov

Payment Activity Key Dates

Key Payment Activities	December	January	February
1A Issuer Workbooks Submission Window	November 16th-21st	December 16th-21st	January 16th-19th
Vendor Management Module Open	December 11th-24th	January 11th-24th	February 11th-24th
Initial Invoice sent to Issuers	December 11th-13th	January 10th-12th	February 8th-12th
Preliminary Payment and Payee Information Reports sent to Issuers	December 13th-15th	January 12th-15th	February 13th-15th
Treasury issues payments to Issuers	December 20th	January 22nd	February 20th
HIX 820 Payment transactions sent to Issuers	December 29th	January 31st	February 28th

Temporary Manual Payment Adjustments Scenarios for SBE Transitioned Issuers to PBP

Upper Bound Payment Cycle: 80% Cap

Examples: Year to Date APTC Payments:

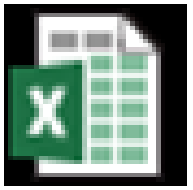
Scenario	PBP Amount (YTD)	Upper bound Amount-(YTD)	80% of Capped Upper Bound Amount	PBP Amount < 80 % of Capped Upper Bound Amount?	Temporary Adjustment applied to Payment	Total Amount Paid YTD
1	$90.00	$110.00	$88.00	No	$0.00	$90.00
2	$70.00	$110.00	$88.00	Yes	$18.00	$88.00
3	$40.00	$100.00	$80.00	Yes	$40.00	$80.00
4	$65.00	$80.00	$64.00	No	$0.00	$65.00

Note: The same calculation will apply to User Fees

Upper Bound Example

Microsoft Excel
Worksheet

Temporary Manual Payment Adjustments scenarios for SBE Transitioned Issuers to PBP



Microsoft Excel Worksheet

Exchange Payment Type Codes for January Policy-based Payments

Year	Issuer Type	Process	Transaction Type	Exchange Payment Type	Coverage Period Start Date	Coverage Period End Date
2017	FFM and SBMFP Issuers	PBP	Retroactive Adjustments – APTC, CSR, UF	APTCADJ, CSRADJ, UFADJ	2017MMDD	2017MMDD
2017	SBM Issuers and FFM/SBMFP UFR and SHOPUF adjustments	MA, Manual workbooks	APTC, CSR, UF, SHOPUF, UFR	UFRMADJ, APTCMADJ, CSRMADJ, UFMADJ, SHOPUFMADJ	2017MMDD	2017MMDD
2018	FFM and SBMFP Issuers	PBP	Prospective and Retroactive Adjustments – APTC, CSR, UF	APTC, CSR, UF APTCADJ, CSRADJ, UFADJ	2018MMDD	2018MMDD
2018	SBM Issuers and FFM/SBMFP UFR, SHOPUF, and January temporary manual adjustments	MA, Manual workbooks	APTC, CSR, UF, SHOPUF, UFR	UFRMADJ, APTCMADJ, CSRMADJ, UFMADJ, SHOPUFMADJ	2018MMDD	2018MMDD

Resources

- Inbound 834 Process (CMS zOne Dedicated Page):
  - Production Overview, Technical Specifications, Reporting
  - For further assistance, please contact: Inbound834@bah.com
- Enrollment Reconciliation:
  - Educational Materials, Technical Specifications
    - https://zone.cms.gov/document/2016-enrollment-data-reconciliation
  - For further assistance, please contact: recon_issuer_support@bah.com
- Dispute submission:
  - Resources
    - Enrollment dispute form: https://zone.cms.gov/document/enrollment-resolution-and-reconciliation-dispute-form
    - Payment dispute form: https://zone.cms.gov/document/enrollment-resolution-and-reconciliation-dispute-form
    - Payment dispute Technical Reference Guide: https://zone.cms.gov/document/ppr-820-disputes-page
  - For further assistance, please contact the ER&R Support Center at errsupportcenter@cognosante.com or (855) 591-7113

Points of Contact

- CMS directs Issuers to contact the Federal Enrollment and Payment System (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 Exchange Payments Team with questions related to the Manual Payment Process. Issuers can contact Exchange Payments at the Exchangepayments@cms.hhs.gov email address.
- CMS directs Issuers to contact the Financial Management Coordination Center (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 Enrollment Reconciliation and Resolution (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.

RA on Invoices, PPRs and HIX 820s

- Issuers with multiple RA payments or charges can distinguish between them by referring to the Invoice Number using the convention below.
- RA Invoice Number Example: I14VA160112345001
  - Digit 1: Program and Market Designator (I)
  - Digits 2-3: Program Year (14)
  - Digits 4-5: State Code (VA)
  - Digits 6-9: Year and Month (1601)
  - Digits 10-14: Issuer ID (12345)
  - Digits 15-17: Transaction Sequential Counter (001)

RA on Invoices, PPRs and HIX 820s
(continued)

- Program and Market Designator (Digit 1) Key:
  - Risk Adjustment Individual – I
  - Risk Adjustment Small Group – L
  - Risk Adjustment Catastrophic – T
  - Risk Adjustment Merged – M
  - Risk Adjustment Default Charge Individual – N
  - Risk Adjustment Default Charge Small Group – O
  - Risk Adjustment Default Charge Catastrophic – H
  - Risk Adjustment Default Charge Merged - B

Additional Information

- Additional information related to the PBP transition is available in the Registration for Technical Assistance Portal (REGTAP) Library at the following links:
  - PBP Temporary Adjustment Reconciliation Methodology
  - May 2, 2016 Payment Bulletin
  - PBP May Payment Back-out Example Workbook

Documents Available on REGTAP

- The ***Managed File Transfers (MFT) Thin Client Help Guide*** and ***Manual Payment and Enrollment Data Workbook User Guide*** are currently available in the REGTAP Library at the following links:
  - https://www.regtap.info/uploads/library/FT_MFTHelpGuide_081016_v1_5CR_081016.pdf
  - https://www.regtap.info/uploads/library/FT_AutoTemplateUserGuide_5CR_081016.pdf

Acronyms

Acronym	Definition
DSH	Data Services Hub
EDI	Electronic Data Interchange
EPS	Enrollment and Payment System
FFE	Federally-facilitated Exchange
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
SBE	State-based Exchange
SHOP	Small Business Health Options Program

Resources

Financial Management Coordination Center

- The Financial Management Coordination Center (FMCC) help desk at fmcc@cms.hhs.gov assists Issuers with:
  - Questions or concerns regarding the Payment Dispute process
  - Technical assistance
  - File submission

When contacting the FMCC, Issuers should include their five (5)-digit Health Insurance Oversight System (HIOS) ID and their seven (7)-character Payee ID, along with their request

Technical Reference Guide

- The Payment Dispute Technical Reference Guide (TRG) provides guidelines for Issuers regarding how to submit Payment Disputes

- Issuers can access the TRG at the following links:
  - https://www.regtap.info/uploads/library/FT_TRG_v1_5CR_101416.pdf
  - https://zone.cms.gov/document/ppr-820-disputes-page

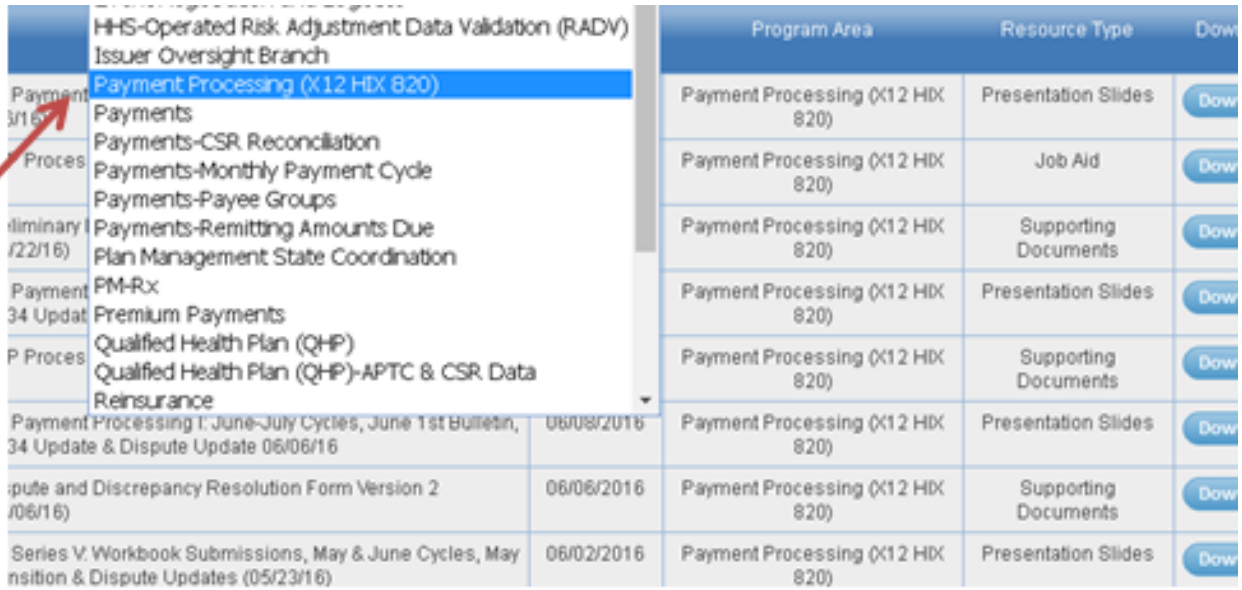
Resources

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 Payment Processing II are available in the REGTAP Library at https://www.REGTAP.info

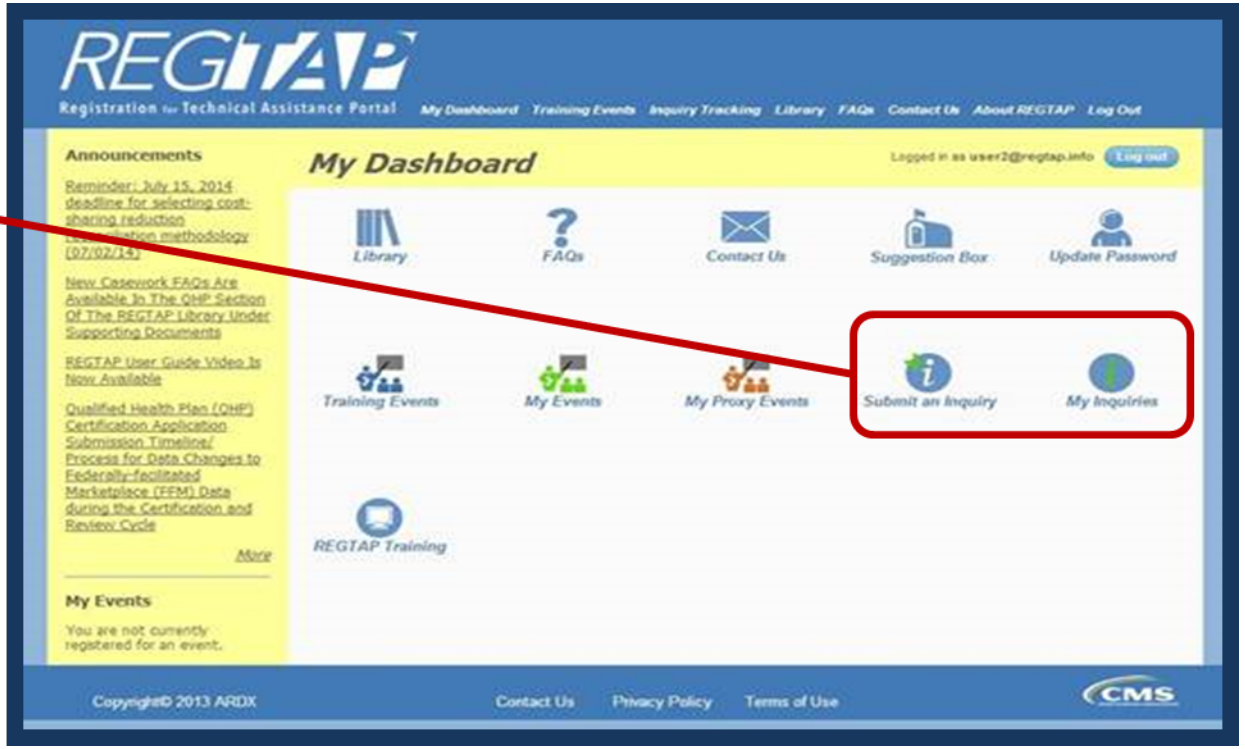
Under Program Area, select "Payment Processing (X12 HIX 820)"



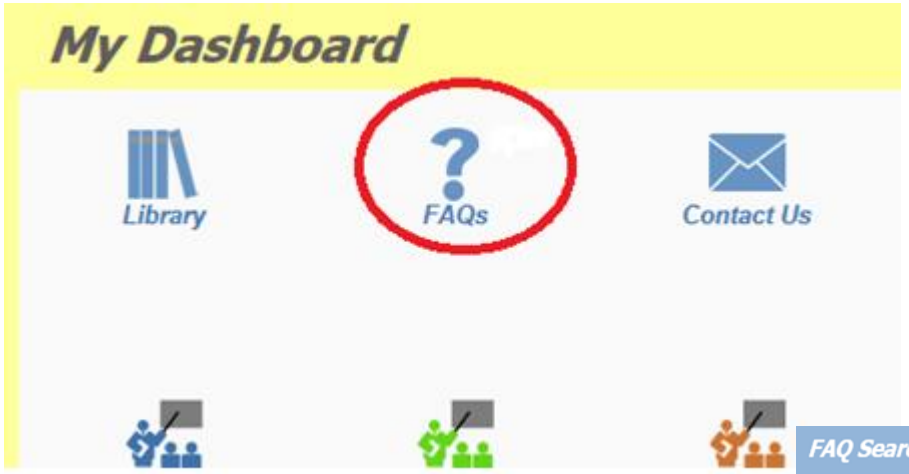
Inquiry Tracking and Management System (ITMS)

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

Select “Submit an Inquiry” from My Dashboard.

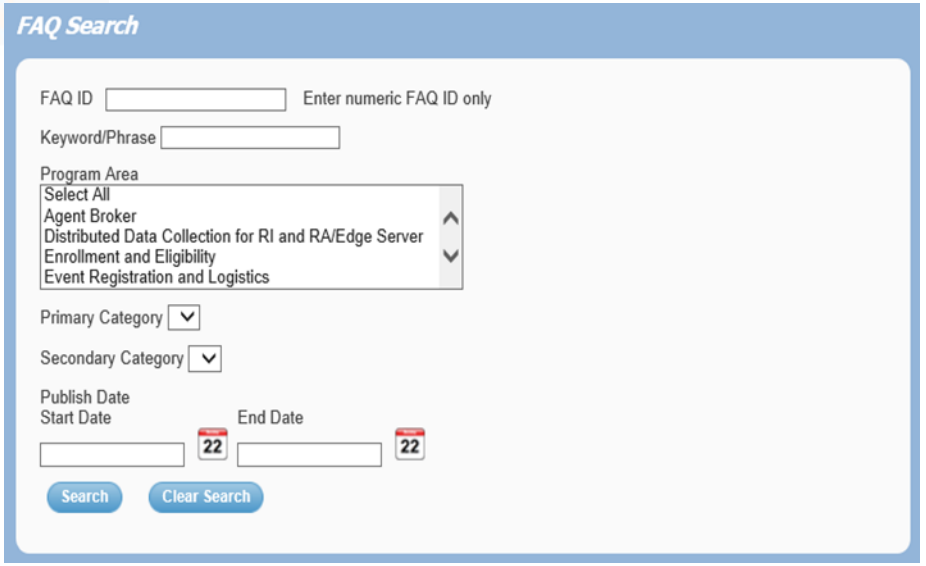


FAQ Database on REGTAP



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

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



Closing Remarks