FM Payment Processing II: Invoice Overview, PBP Temporary Manual Adjustment and Payment Disputes Updates

January 9, 2017

FM Payment Processing II

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Agenda

- Temporary Manual Adjustment for Policy-based Payments (PBP)
- Invoice Overview
- Payment Dispute Updates

Policy-based Payments: Temporary Manual Adjustment

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Temporary Manual Adjustment for Policy-based Payments

January and February 2017 PBP Payments:

- 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.
- The Centers for Medicare & Medicaid Services (CMS) will make a temporary manual adjustment to the January and February 2017 PBP for Federally-facilitated Marketplace (FFM) Issuers and Issuers in State-based Marketplaces using the Federal platform (SBM-FP) offering major medical plans.
- This adjustment is intended to mitigate the cash flow impact of the transition to 2017 for Issuers on PBP.

Temporary Manual Adjustment for Policy-based Payments (continued)

January and February 2017 PBP :

- 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.
- Adjustment(s) will show on the Issuers' Preliminary Payment Report (PPR) and HIX-820s as three separate manual adjustments to APTC, CSR and User Fees.

Temporary Manual Adjustment for Policy-based Payments (continued)

Reversing Manual Adjustments:

- CMS will reverse these manual adjustments when the year-to-date total Policy-based Payment reaches the 80 percent threshold or in the March 2017 payment cycle, whichever comes first, so that advance payments and FFM User Fee charges as of March 2017 accurately reflect reconciled enrollment by March.
- CMS will not make any downward payment adjustments to Issuers whose total calculated Policy-based Payments are above the 80 percent threshold.

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
2016	FFM and SBMFP Issuers	PBP	Retroactive Adjustments – APTC, CSR, UF	APTCADJ, CSRADJ, UFADJ	2016MMDD	2016MMDD
2016	SBM Issuers and FFM/SBMFP UFR and SHOPUF adjustments	MA, Manual workbooks	APTC, CSR, UF, SHOPUF, UFR	UFRMADJ, APTCMADJ, CSRMADJ, UFMADJ, SHOPUFMADJ	2016MMDD	2016MMDD
2017	FFM and SBMFP Issuers	PBP	Prospective and Retroactive Adjustments – APTC, CSR, UF	APTC, CSR, UF APTCADJ, CSRADJ, UFADJ	2017MMDD	2017MMDD
2017	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	2017MMDD	2017MMDD

January Extension and Temporary Manual Adjustment

- CMS calculated Upper Bound for purposes of temporary manual adjustments for January as of the December 21st enrollment cutoff (as of the Dec 21st IPA file sent to Issuers)
  - The Policy-level PBP data cutoff was unchanged; January PBP payments were as of December 15th.
  - Temporary manual adjustments for APTC, CSR, and User fees were calculated as equal to 80 percent of Upper Bound as of December 21st, less PBP payments as of December 15th.
- **Temporary Manual Adjustments will be reversed in the March payment cycle—submit Inbound 834s for all effectuations ASAP!**
  - The March payment cycle will reflect the RNCI file Issuers submit in late January.

Invoice Overview

Payments and Invoicing Key Points

- On a monthly basis, payments and charges for Marketplace programs are aggregated and netted at the Payee Group level and sent to the CMS accounting system for processing.
- Payees with a net positive balance will receive one (1) lump-sum payment through Electronic Funds Transfer (EFT).
- Payees with a net negative balance will receive an Invoice, which is mailed to the Payee Group's billing address.
- The Payee Group uses the Invoice to pay the amount(s) owed through Pay.gov.

Invoice (First Request) and Intent to Refer Letter

1. **Initial Invoice –** the initial invoice will give Issuers 15 days to pay the amount due. Issuers will receive an Invoice – First Request for each program for which there is an outstanding balance.
   - **NOTE:** Previously invoices for the rate stabilization programs had 30 days to pay the amount due. Issuers will still receive separate letters for each program.
2. **Intent to Refer Letter** – if payment is not received by the Invoice deadline, the final letter requesting payment is sent 60 days after the Date on the Invoice. The Intent to Refer to Treasury Letter indicates that referral to Treasury will occur at 150 days from the date of the initial invoice.

Letters Timeline

- Initial Invoice– First Request are mailed to Issuers between the 10th and 12th of the month if the total charges owed by the Issuer exceed payments due to the Issuer in a given month.
- For all programs, Issuers must remit payment within 15 days.
- The Intent to Refer Letter will be sent 60 days after the date of the Invoice if payment has not been received by the Invoice due date.
- If no payment has been submitted 150 days after the date of the Invoice, the debt will be referred to the U.S. Department of Treasury for collection.

Failure to Submit Payment By Invoice – First Request Due Date

- Any amounts owed to CMS and not paid within 30 calendar days from the date of Invoice – First Request will be assessed interest starting from the date of delinquency (*i.e.*, from the date of the Invoice – First Request).
- **CMS updates the interest rate on a quarterly basis. The current CMS-established interest rate is 9.625 percent per year (effective July 18, 2016).**

Failure to Submit Payment to ITR



- Debts that remain unpaid 150 days from the date of the Invoice – First Request will be referred to the Department of the Treasury.
- Treasury will collect all required penalty charges and fees (including interest and administrative fees).
- Treasury will use all tools at its disposal to collect debt, including referral to the Department of Justice for litigation.

Payment Disputes Update

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Payment Dispute Processing Changes

Presentation Outline:

I. Disposition and Detail Code Updates

II. Payment Dispute Form Reminders

- Response File Update
- Tips for resolving disputes that receive the following detail codes.
  - FV9
  - FV900
  - FV803

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.

Disposition Code Updates

- Disposition codes R3, R8, and C4 have been shortened to fit within the maximum field length of 50 characters as defined for the “Disposition” field (F25) in the response file.
  - **R3**
    OLD: FFM Fields on Dispute Form Do Not Match with PPR/820
    NEW: FFM Fields on Dispute Form Do Not Match PPR/820
  - **R8**
    OLD: Multiple Disputes for Same Policy and Field with Conflicting Information
    NEW: Multiple Conflicting Disputes for Same Policy
  - **C4**
    OLD: Dispute processed, update planned within two (2) cycles
    NEW: Disp processed, update planned within two (2) cycles

Detail Code Updates

- Issuers that dispute an unexpected payment for policies identified as FFM orphans on the RCNO may encounter detail code PD533 (I1 – In Process).
- The criteria for this detail code have been expanded to include policies identified as extra records on the RCNO.
- The verbiage for this detail code has been revised as follows:
  - The dispute contains a Record level flag = “F” or “G”, indicating that it is an FFM uneven record, or "W" or "L", indicating that it is an extra record, on the most recent RCNO file. The Issuer payment dispute is indicating an unexpected payment. The policy will be canceled by the FFM. The subsequent payment adjustment should be processed within one (1) – two (2) payment cycles.
- These policies will be canceled by the FFM and the payment should be adjusted within one (1) – two (2) payment cycles.

Detail Code Updates (continued)

- New business processing rules for policies needing reinstatement, while avoiding overlapping coverage dates, led to a new detail code, PD556 (R9 – Mismatched Policy).
- Disputed policy has a terminated status in the FFM. Another policy exists with overlapping dates in the same QHPID with Premium Paid indicator 'Y'.
  - The Issuer should make a correction to cancel or effectuate the applicable policy/policies on their next RCNI.

Detail Code Updates (continued)

- New business processing rules for policies needing reinstatement, while avoiding overlapping coverage dates, led to a new detail code, PD557 (R9 – Mismatched Policy).
- Disputed policy has a terminated status in the FFM. Another policy exists with overlapping coverage dates under a different QHPID with Premium Paid indicator 'Y'.
  - The Issuer should make a correction to cancel or effectuate the applicable policy/policies on their next RCNI.

Detail Code Updates (continued)

- New business processing rules for policies needing reinstatement, while avoiding overlapping coverage dates, led to a new detail code, PD558 (R9 – Mismatched Policy).
- Disputed policy has a terminated status in the FFM. Another policy exists with overlapping coverage dates in a different HIOS with Premium Paid indicator 'Y'.
  - ER&R is unable to update the policy as requested because of the coverage with a different HIOS. The Issuer should update their records with this policy to match the FFM data on the RCNO.

Payment Dispute Response File Update

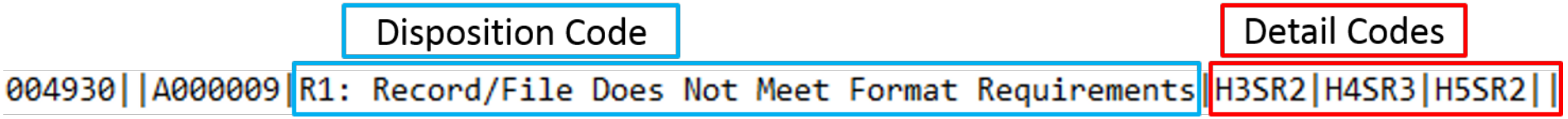
- Response file update
  - Payment disputes that have syntax errors in the header record prevent any of the detail records (the actual payment disputes) from being processed by the ER&R contractor.
  - Currently, ER&R communicates these errors to Issuers by email or phone. Beginning January 12, 2017, an automated response file will be generated for syntax errors in the header record. The disposition code will be **R1 – Record/File Does Not Meet Format Requirements**.
  - Up to five (5) detail codes will be supplied to specify the location and nature of the syntax error; these codes are not new and are available in the latest publication of the Payment Dispute Disposition and Detail Code List - 20161209 v8.

Payment Dispute Response File Update (continued)

- Response file update, example
  - Dispute file (PSV) with header record syntax errors

```
C12345678|JohnSmith|INVALID||201702011|162055|000004930||A000009
12345||0001503936|29144856|201702|||20170201||20170228||900.00||475.00||90.00||||||
```

  - Response file (PSV) returns only the header record with the disposition and up to five (5) detail codes appended to the end



    - R1 – Record/File Does Not Meet Format Requirements
    - H3SR2 – Point of Contact telephone number is invalid
    - H4SR3 – Point of Contact email address is required, but missing
    - H5SR2 – Date of Submission has a maximum length of eight (8) characters

Tips for Resolving Detail Code FV9

- **FV9** (Not able to match the dispute to a record on the PPR or HIX 820 for the Exchange Assigned Policy ID and Coverage Period.)
  - R3 disposition – FFM fields on form do not match PPR/HIX 820
  - Issuers must include the following required fields in the dispute in order for the dispute to be processed:
    - HIOS ID (F1).
    - Exchange Assigned Policy ID (F4).
    - Payment Cycle Month (F5).
    - Coverage Period Start Date (FFM) (F8) and Coverage Period End Date (FFM) (F10). Note: FFM dates and amounts will be blank when reporting a missing payment.

Tips for Resolving Detail Code FV900

- **FV900** (Issuer disputed a missing payment, but a PPR / HIX 820 record was found for the Exchange Assigned Policy ID, coverage start and end dates, and payment month.)
  - R3 disposition – FFM fields on form do not match PPR/HIX 820
  - Issuers should review the coverage period cited on the dispute form, verify the Exchange Assigned Policy ID and resubmit the dispute, if necessary, with the corrected information identifying the value(s) the Issuer is disputing.

Tips for Resolving Detail Code FV803

- **FV803** (The payment dispute record submitted was matched to another dispute submitted on the same file for the same field, but the data in the disputed fields don't match.)
  - R8 disposition – Multiple Conflicting Disputes for Same Policy
  - Issuers receive this code when they've submitted 2 disputes for the same HIOS, policy, and coverage month with conflicting issuer values. Issuers should be clear with the values they are disputing and report them accurately in the dispute form.

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

Key Payment Calendar Dates

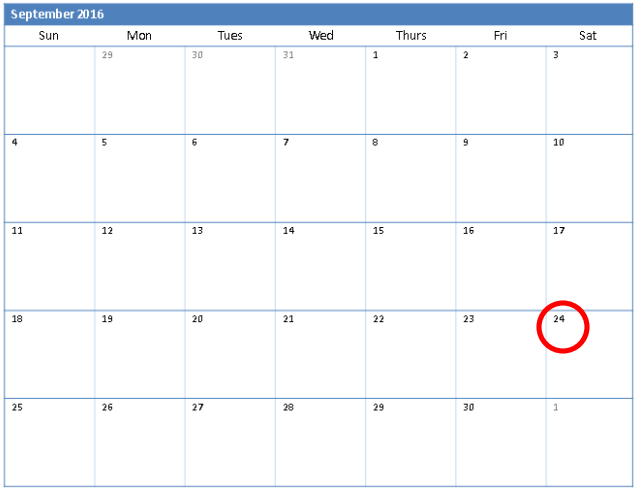
Key Dates

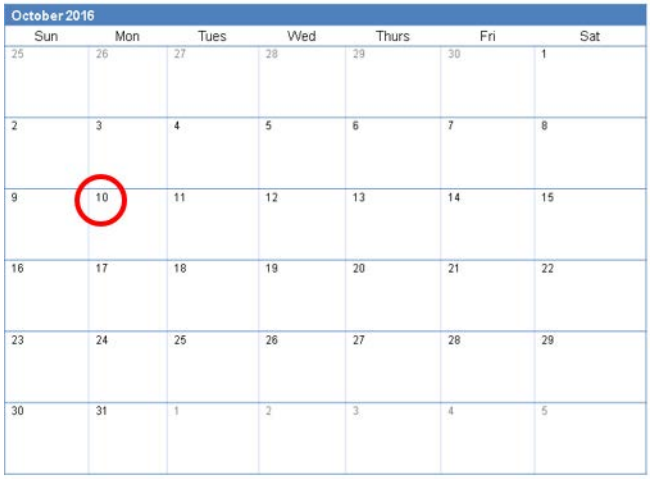
Key Payment Activities	January	February	March
SBM Issuer Workbooks Submission Window	Dec. 16th – 21st	Jan. 16th-20th	Feb. 16th – 22nd
Vendor Management Module Open	Jan. 11th – 24th	Feb. 11th – 24th	Mar. 11th – 24th
Initial Invoice sent to Issuers	Jan. 10th – 12th	Feb. 9th – 13th	Mar. 10th – 14th
Preliminary Payment Reports sent to Issuers	Jan. 12th – 17th	Feb. 13th – 15th	Mar. 13th – 15th
Treasury issues payments to Issuers	Jan. 20th	Feb. 21st	Mar. 21st
HIX 820 Payment transactions sent to Issuers	Jan. 31st	Feb. 28th	Mar. 31st

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

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 301-492-4746 to allow CMS will approve these updates. In the interim, your record is in a state of limbo and payments will not be processed.
- You can reach the CMS Vendor Management Team at Vendor_Management@cms.hhs.gov.

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 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 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

PPR and HIX 820 File Issues

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

- **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

Additional Information

- Additional information related to the PBP transition is available in the Registration for Technical Assistance Portal (REGTAP) Library at the following links:
  - FM 2015 – 2016 Issuer Transition Guide, Version 4.4
  - 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
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

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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.

Contacting FMCC



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

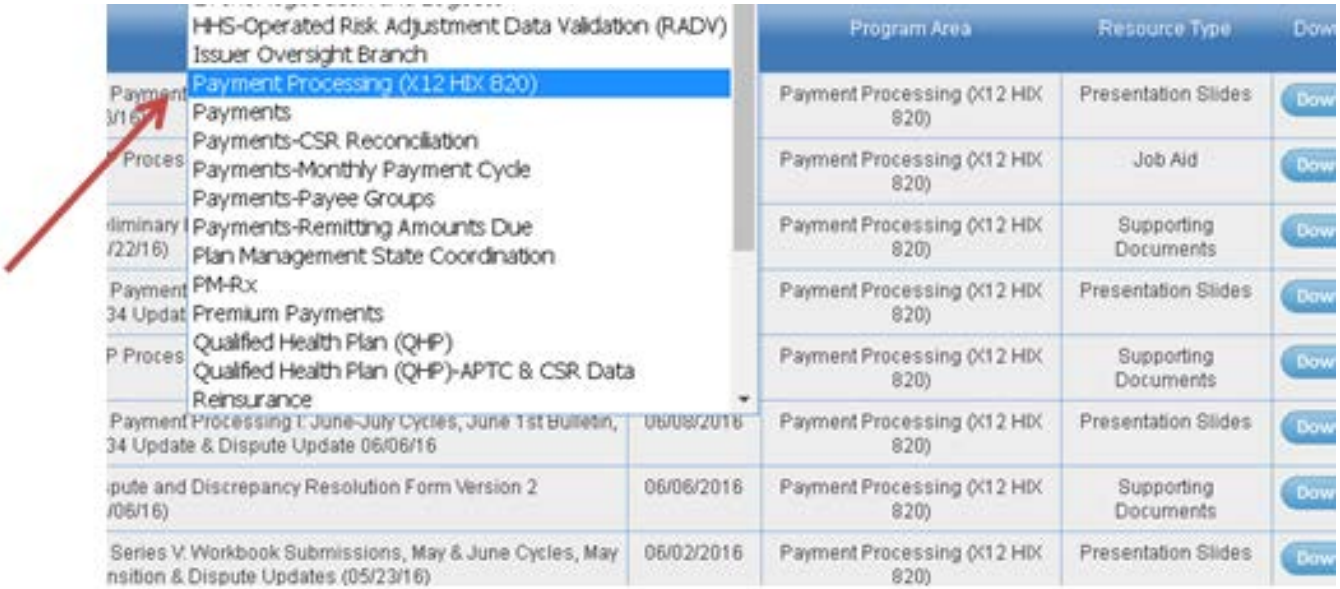
Resources

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 I are available in the REGTAP Library at https://www.REGTAP.info

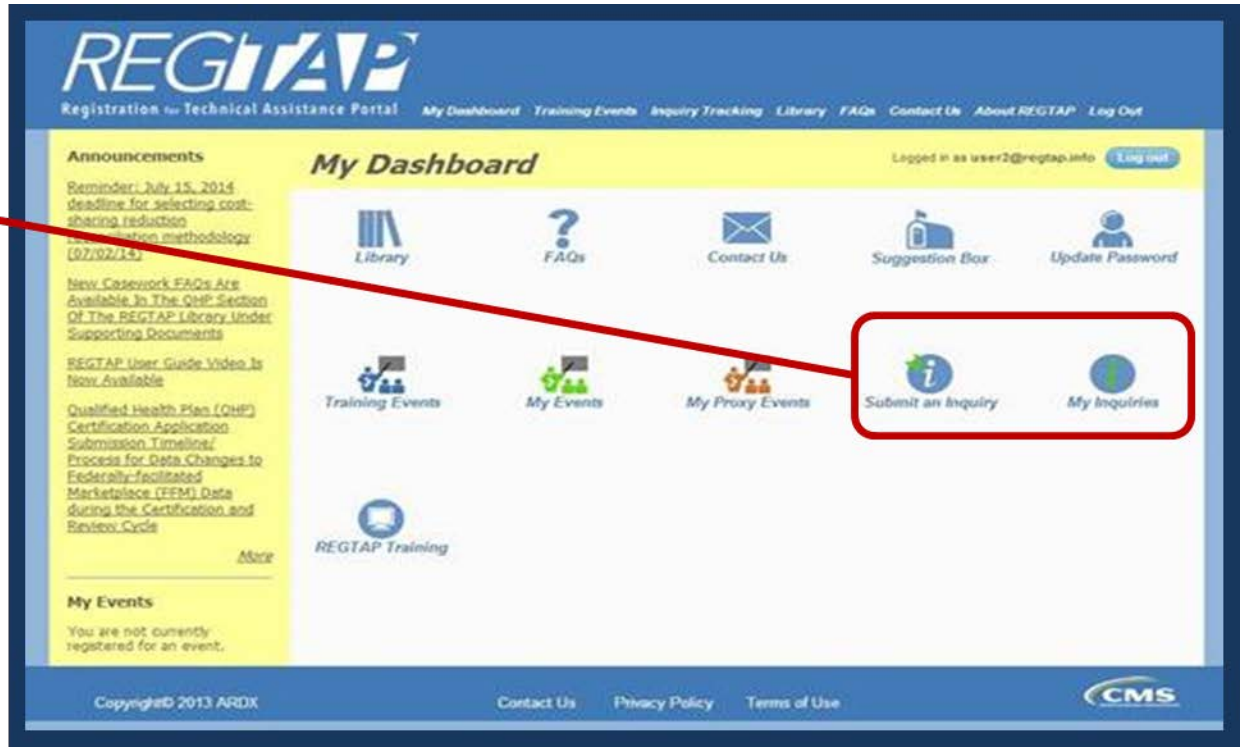
Under Program Area, select "Payment Processing (X12 HIX 820)"



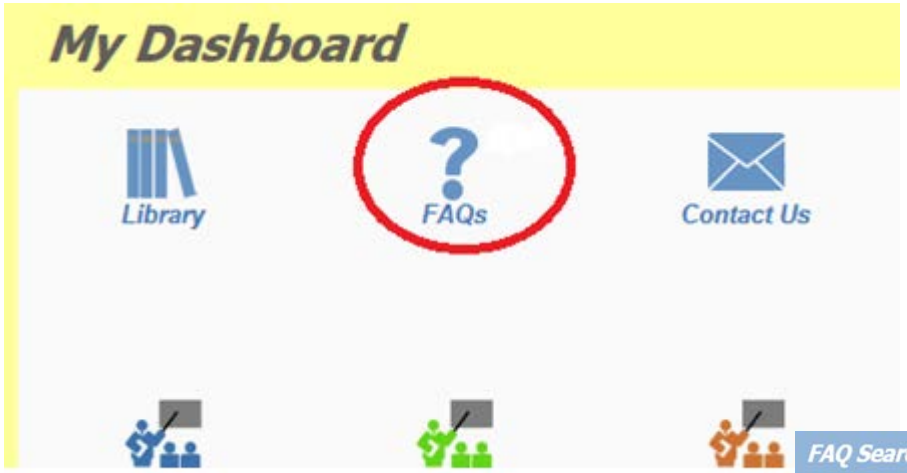
Inquiry Tracking and Management System (ITMS)

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

Select “Submit an Inquiry” from My Dashboard.

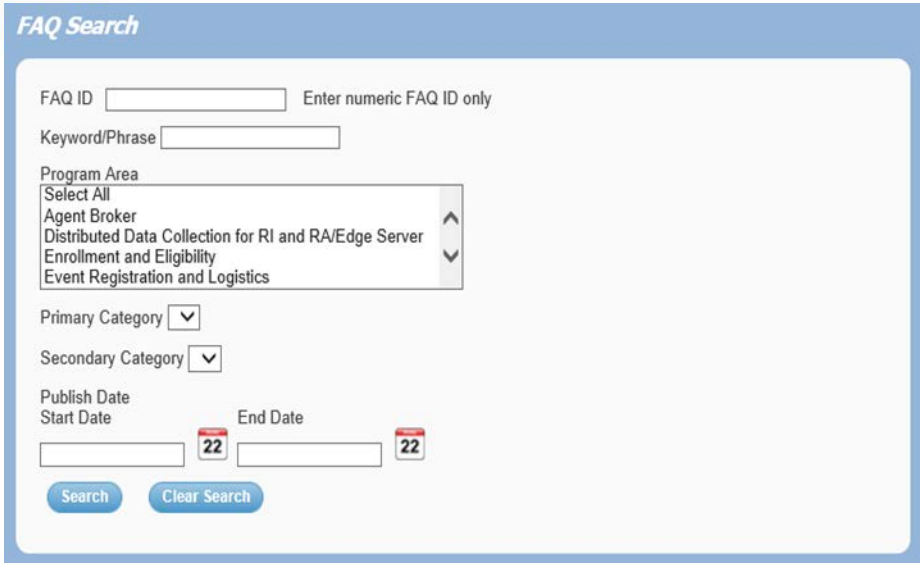


FAQ Database on REGTAP



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