FM Payment Processing I:
Initial Invoice Updates, RA Payments and Charges, 2014 Restatement Updates, 2015 Outlier Analysis, 2015 Restatement Activities, M834 Implementation and Payment Dispute Updates

October 3, 2016

FM Payment Processing I

CMS
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HTTPS://WWW.REGTAP.INFO

Agenda

- Session Guidelines
- Initial Invoice Updates
- RA Payments and Charges
- 2014 Restatement Updates
- 2015 Outlier Analysis
- 2015 Restatement Activities
- M834 Implementation
- Payment Dispute Updates
- Vendor Management
- Appendix
- Resources
- Closing Remarks

Session Guidelines

- This is a 90-minute content session.
- Documented Q&As will be posted in the coming weeks.
- For questions regarding logistics and registration, contact the Registrar at: (800) 257-9520.

FM Payment Processing I

- Financial Management (FM) Payment Processing I will provide information related the FM Payment Processing and the Dispute Reporting Process, in addition to providing technical guidance related to the Federally-facilitated Marketplace (FFM) payment process.
- As part of this series, the Centers for Medicare & Medicaid Services (CMS) will conduct content webinars every other Monday from 2:00 p.m. to 3:30 p.m. ET.

FM Payment Processing I: October 2016

Day of Session	Date of Session	Time	Session Type
Monday	October 3, 2016	2:00 p.m. – 3:30 p.m. ET	Webinar
Monday	October 17, 2016	2:00 p.m. – 3:30 p.m. ET	Webinar
Monday	October 31, 2016	2:00 p.m. – 3:30 p.m. ET	Webinar

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.

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

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.

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

Dispute Resolution Form

The latest version (Version 2) of the Dispute Resolution Form is available on REGTAP at the following link: https://www.regtap.info/uploads/library/FT_PPR_820_Dispute_Form_v2_052616_5CR_060616.xlsx

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

Initial Invoice Updates

Initial Invoice - FAQ

<u>Question</u>: Why is the amount on my Dunning Letter (Initial Invoice) different from my original risk adjustment charge on the June 30th report?

<u>Answer:</u> For the 2015 Benefit Year, CMS began invoicing Issuers their risk adjustment charges as set forth in the June 30, 2016 report in the August 2016 monthly payment cycle. Pursuant to 45 CFR 156.1215(b), each month, CMS processes accounts payable (AP) and accounts receivable (AR) transactions together for the Financial Management programs (APTC, CSR portion of advance payment tax credit, FFM UF, RA, RA UF, RI and RC). If an Issuer has both APs and ARs, they will be netted together at the Payee Group level. If any amount is still owed by the Payee Group to CMS, this amount will be communicated via an Initial Invoice for the amount owed after netting.

- To see the details of the transactions included within a monthly payment cycle, prior to netting, please review your Preliminary Payment Report (PPR). To see the details of the transactions included within the payment cycle post netting, please review your HIX 820.

RA Payments and Charges

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

2014 Restatement Updates

2014 Manual Payment Restatements

- September 23rd: – 2014 only workbooks were distributed to approved Issuers. Along with the workbooks were instructions and timeframes for submission, as well as 2014 data we have on record.
- September 26th – October 5th: – Issuers began to submit populated 2014 workbooks. During this time we will provide validation reports for each submission within 24 hours of each submission.
- If your resubmission varies from the approved amount, you must submit with an explanation for the variance.
- Restatement processing is targeted for the November payment cycle timeframe.

2015 Outlier Analysis

2015 Outlier Analysis

- As previously announced, CMS is initiating a close-out process for 2015 Manual Payment Process APTC payments.
- Outlying FFM Issuers have been determined based on a comparison of Manual Payment Process data and the policy-level data in the FFM.
- CMS distributed an email to Issuers in outlier status on September 16, 2016.
    - Outlying FFM Issuers were asked to research the data and respond to CMS with any findings by October 7, 2016.
- If an FFM Issuer does not hear from CMS, the Issuer is not considered an outlier and need not take any action.
- SBM Issuers will be contacted at a later date for 2015 outlier analysis.

2015 Restatement Activities

2015 Restatement Activities

- All Issuers will have an opportunity to submit their 2015 data during the November Payment Cycle.
- No later than October 12th, SBMs will receive a 2015-2016 workbook to be submitted via EFT during the November Payment Cycle process.
- No later than October 12th, FFM Issuers will receive 2015-only workbooks that will be submitted through the CMS Marketplace Payments mailbox.
- All 2015 restatements will be processed with November 2016 payment processing cycle.

M834 Implementation

All Remaining Issuers/HIOS ID's Going Live Oct. 8th

Recap to Date:

- Since launching M834 Issuer testing on July 12th, the code is in good shape and testing has been productive.
- Since launching M834 Production Pilot on August 20th, production code is in good shape, with no blocking issues.
- M834 functionality is now live with Issuers who selected the September 23rd date.
- The remaining known issues are all on track to be fixed by October 8th, including:
  - **HLH Segment Defect:** The FFM is not currently sending the HLH Segment (Tobacco Status) for a new member when a new member is added. While the 834s are successfully sent by the FFM/Hub to the Issuer, the missing element could cause an Issuer to not ingest the 834 depending on the Issuer's validation settings.
  - **Default Enrollment Group Settings Defect**: When a new member is added through a SEP CIC, the new member is by default placed in a separate enrollment group. (Each new member will be put into an individual enrollment groups). Workaround: In order to merge the new members into an enrollment group, the consumer will need to click on the household questions task and make custom enrollment groups.

All Remaining Issuers/HIOS ID's Going Live Oct. 8th (continued)

- **Final Go-Live Date for All Remaining Issuers: Saturday, October 8th**: For all other remaining Issuers and HIOS IDs, M834 functionality will be turned on in production in the very early hours of Saturday, October 8th. (M834 transactions will begin to be delivered following that Saturday's 6:00 p.m. Eastern Time aggregation.) If your organization has any major concerns with going live, please email the FMCC at fmcc@cms.hhs.gov.

- **IMPL2 – Last Week of Availability**: Aside from this week's planned two (2)-day outage, CMS will keep IMPL2 environment up until switching all-Issuer OE 2017 testing in IMP1A on Monday, October 3rd. At that point all testing resources will be focused on IMP1A. Issuers are reminded to please switch testing to IMP1A accordingly for OE testing next week.

Payment Disputes Update

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Payment Dispute Updates

Submitting Payment Disputes:

- Issuers are encouraged to submit Payment Disputes for any record perceived to be incorrect.
- Processing rules identify any data misaligned with values supplied in the RCNI, so Issuers do not need to perform this validation prior to submission. Issuers may use the payment dispute response file as a tool to determine if an RCNI correction should be submitted.
- Large volumes will not impede processing times.
- Please contact the FMCC (Financial Management Coordination Center) help desk at fmcc@cms.hhs.gov with any:
  - Questions or concerns around the Payment Dispute process
  - Requests for technical assistance
  - Issues submitting a file

Payment Disputes Updates

- Technical Reference Guide
- New Payment Dispute Function Code
- Re-dispositioning
- Detail Code Updates
- Payment Dispute Form Update/Reminders

Technical Reference Guide

- The Financial Management (FM) Technical Reference Guide (TRG) provides Issuers with a consolidated point of reference for technical guidance related to the Individual Market Financial Management Policy-based Payment (PBP) Dispute process.
    - A detailed overview of the process.
    - Technical details and file specifications.
    - References to ancillary resources.
- The TRG contains a wealth of knowledge regarding the payment dispute process. Issuers are highly encouraged to read through the guide to understand how to effectively utilize payment disputes.
- Issuers can access the TRG at the following links:
    - https://www.regtap.info/uploads/library/FT_TRG_080916_v1_5CR_081016.pdf
    - https://zone.cms.gov/document/ppr-820-disputes-page

New Function Code

- To allow for identification of dispute type by transmission file name, a new function code has been created specifically for payment disputes.
- New function code, **ERRP**.
  - Effective immediately – Issuers may, but are not required to, use this code for Payment Dispute submissions.
  - Effective November 1, 2016 – Issuers must use this code for Payment Dispute submissions.
  - ER&R will begin using this code to communicate Payment Dispute responses on November 1, 2016 ER&R will continue to use ERRS to communicate Payment Dispute responses through October 31, 2016.

New Function Code

- New function code **ERRP**.
  - Used exclusively for:
    - Issuers to submit disputes affecting payment based upon Payment File Formats (PPR/HIX820).
    - ER&R contractor to Return Response Files to the Issuers.
  - Documentation Updates to reflect this change:
    - The instructions tab of the "PPR-820 Dispute Form v2" will be updated. No changes to the Dispute Form itself; only to the file naming convention.
    - The Technical Reference Guide for Payment Disputes will be updated with this new function code.

New Function Code

- Inbound PPR-820 Dispute Form (Issuer to CMS)
  - TPID.COG.**ERRP**.Dyymmdd.Thhmmssmmm.P.**IN**
- Outbound PPR-820 Response File (CMS to Issuer)
  - TPID.**ERRP**.Dyymmdd.Thhmmssmmm.P.**OUT**
- New file naming convention effective 11/1/2016.
  - TPID = Issuer's function code [TPID], also known as the Source ID
  - COG = Application ID (Inbound Files only)
  - **ERRP** = ER&R Function Code for based upon payment file formats (PPR/HIX820)
  - D = Date Stamp, D is static text where yy is year, mm is month, dd is day.
  - T = Time Stamp, T is static text where hh is hours, mm is minutes, ss is seconds, and mmm is milliseconds
  - P = Production Environment
  - **IN**/**OUT** = Direction of data flow to/from CMS

Re-Dispositioning

- ER&R has identified an issue that resulted in some payment disputes receiving incorrect dispositions:
  - Disputes received during the first three (3) weeks of September.
  - Dispositions of R6 or C3 may be incorrectly applied, or have incorrect detail codes.
  - These responses should be disregarded at this time.
  - CMS expects this issue to be resolved by the October 3, 2016 semi-monthly report date.
  - Any corrected dispositions will be provided on that report.
  - HIOS that may have been affected by this error have been contacted directly by ER&R.

Re-Dispositioning (continued)

- Generally, the October 3rd semi-monthly report shows:
  - Payment disputes with a new C5 (Already Corrected by Adjustments) disposition.
  - Payment disputes with a new C2 (Timing issue – Update planned for next cycle) disposition.
  - Payment disputes with a new R9 (Mismatched Policy) disposition.

Detail Code Updates

- New business processing rules for mismatches between Issuer and FFM **Exchange Assigned Policy Number** led to a new detail code (PD530).

R9	Mismatched Policy
PD530	The policy identified in the Issuer's dispute is canceled in the FFM. There is another policy for the same member and overlapping coverage dates, with a Premium Paid Indicator value of "Y" (Yes). Please check the RCNI to determine which policy needs to be canceled or effectuated, accordingly.

Detail Code Updates (continued)

- New business processing rules for mismatches between Issuer and FFM **Exchange Assigned Policy Number** led to a new detail code (PD531).

R9	Mismatched Policy
PD531	The policy identified in the Issuer's dispute is canceled in the FFM. There is another policy for the same member and overlapping coverage dates in a different QHPID, with a Premium Paid Indicator value of "Y" (Yes).

Detail Code Updates (continued)

- New business processing rules for missing payment on policies that have C/Y/F in Premium Paid Indicator led to a new detail code (PD532). These policies will be reinstated in the FFM.

I1	In Process
PD532	The FFM Premium Paid Indicator field in the current RCNO file was a value of “C” (Cancel), the Issuer Premium Paid Indicator field is a “Y” (Yes), and the Field Flag = “F” (FFM update). This policy will be reinstated by the FFM. The subsequent payment adjustment should be processed within 1-2 payment cycles. If the payment is not resolved within 2 payment cycles, the Issuer will need to resubmit the Payment dispute.

Payment Dispute Form Updates/ Reminders

If a Health Insurance Casework System (HICS) case that is relevant to the Issuer's dispute exists, it must be provided in **HICS Case Number** field (F20).

- Be sure the HICS Case Number is correct. It must adhere to HICS Case Number format of the letter "E" followed by 10 digits.
- The **Comments** field (F23), should be used for:
  - Additional and relevant HICS Case Numbers, when applicable.
  - Noting cases that are disputes as a result of the enrollment blocker issue (error 500.300588).

Payment Dispute Form Updates/ Reminders (continued)

F3SR3, Exchange Assigned Subscriber ID- Required Field Missing

- To successfully submit Payment Disputes, Issuers must include the **Exchange Assigned Subscriber ID** in field (F3) on every dispute.

F4SR3, Exchange Assigned Policy ID- Required Field Missing

- To successfully submit Payment Disputes, Issuers must include the **Exchange Assigned Policy ID** in field (F4) on every dispute.
- Issuers must keep a record of the **Exchange Assigned Subscriber ID** and the **Exchange Assigned Policy ID** for each subscriber enrolled in order to be able to be able to accurately identify the latest policy-based payment details supplied by the FFM in the payment file formats.
- Failure to supply this data, when required, causes the dispute to fail syntax validation and receive an R1 Disposition.

Payment Dispute Form Updates/ Reminders (continued)

FV9, No matching record found on PPR/820

- The ER&R Contractor must be able to match disputes to a record on the PPR or 820 in order to successfully process a dispute.
- When an Issuer's payment dispute indicates that a payment was made for a policy during a specific Coverage Period and the ER&R Contractor cannot match the data supplied in the payment dispute form to a record in the PPR or HIX 820, an FV9 Detail Code is generated which causes the dispute to receive an R3 disposition.
- Be sure that the following fields are correctly populated in the dispute:
    - **PPR Transaction Set Control Number** (H7)
      OR
      HIX 820 EFT Trace Number (H8)
    - **Exchange Assigned Policy ID** (F4)
    - **Coverage Period Start Date (FFM)** (F8)
    - **Coverage Period End Date (FFM)** (F10)

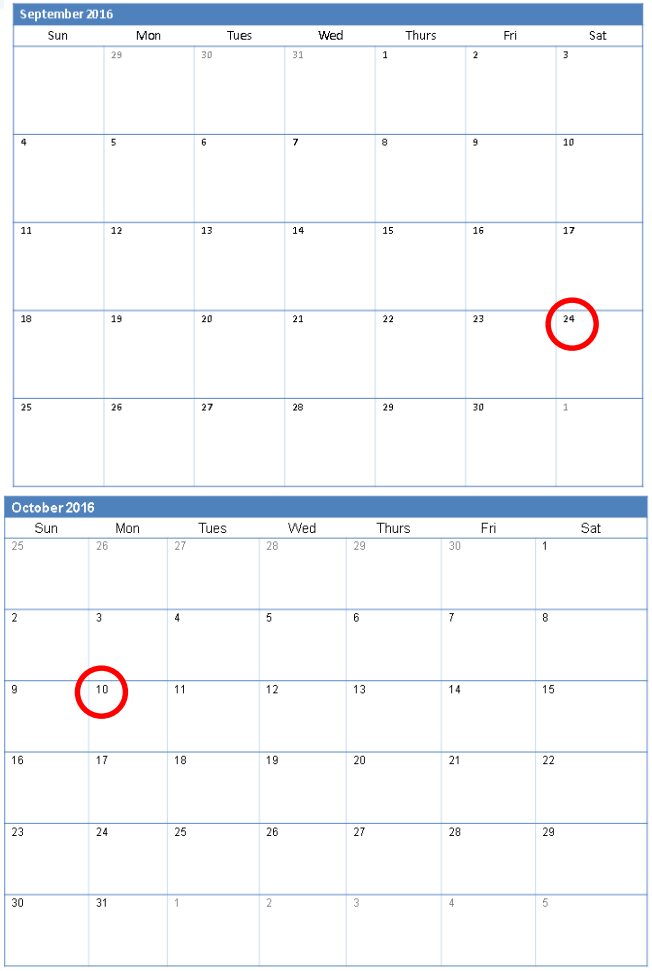
Payment Dispute Form Updates/ Reminders (continued)

PD522, RCNI correction needed - Mismatched Exchange Assigned Policy ID

- The ER&R Contractor must be able to match the data in a payment dispute to data supplied by Issuers in their RCNI in order to successfully process a dispute.
- Issuers must maintain the **Exchange Assigned Policy ID** for each subscriber enrolled in order to be able to accurately identify the latest policy-based payment details supplied by the FFM in the payment file formats.
- Issuers must reconcile the **Exchange Assigned Policy ID** supplied in the PPR/HIX 820 with their own records to determine which policy needs to be canceled or effectuated, accordingly.
- Failure to supply this data, when required, causes the dispute to fail syntax validation and receive an R9 Disposition.

Vendor Management

Vendor Management Reminders



September 2016

Sun	Mon	Tues	Wed	Thurs	Fri	Sat
	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

October 2016

Sun	Mon	Tues	Wed	Thurs	Fri	Sat
25	26	27	28	29	30	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

- 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.

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*

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APPENDIX

September – December 2016 Payment Cycles

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September – October Payment Cycle – Key Payment Activities

Key Payment Activities	September	October
SBM Issuer Workbooks Submission Window	August 16 – 23	September 16 – 22
Vendor Management Module Open	September 11 – 24	October 11 – 24
Initial Invoice sent to Issuers	September 12	October 11
Preliminary Payment Reports sent to Issuers	September 14 – 15	October 12 – 14
Treasury issues payments to Issuers	September 21	October 21
HIX 820 Payment transactions sent to Issuers	September 30	October 30

November – December Payment Cycle – Key Payment Activities

Key Payment Activities	November	December
SBM Issuer Workbooks Submission Window	October 17 – 21	November 16 – 21
Vendor Management Module Open	November 11 – 24	December 11 – 24
Initial Invoice sent to Issuers	November 10	December 13
Preliminary Payment Reports sent to Issuers	November 10 – 14	December 9 – 13
Treasury issues payments to Issuers	November 21	December 21
HIX 820 Payment transactions sent to Issuers	November 30	December 30

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

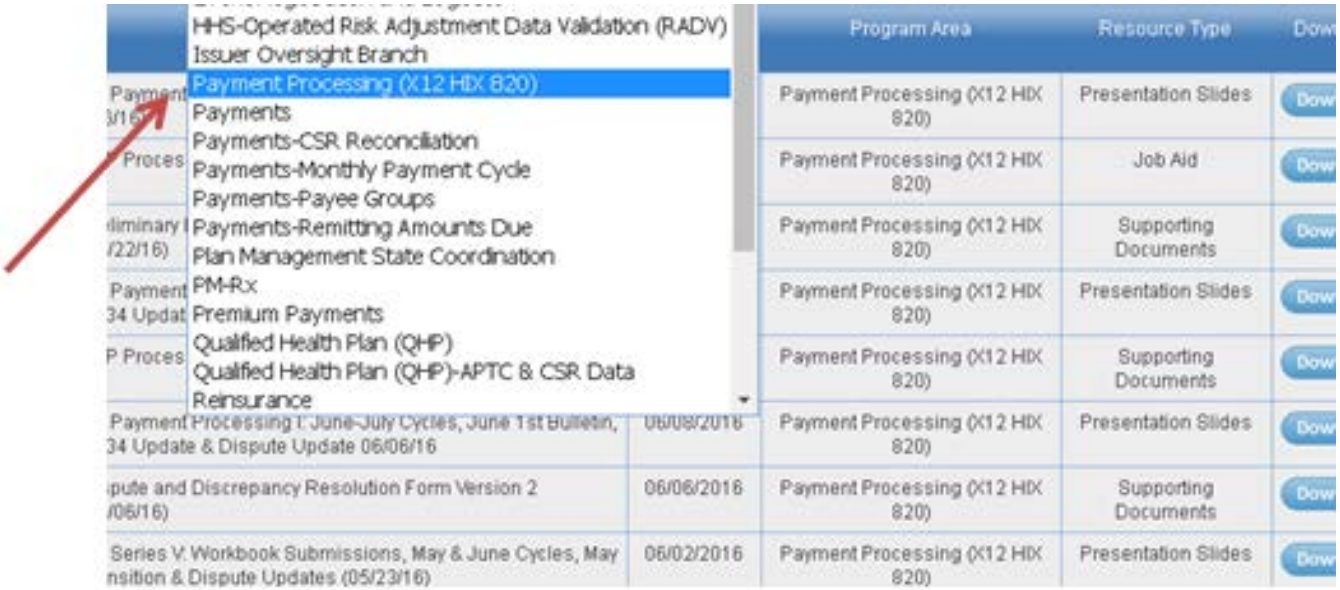
Resources

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

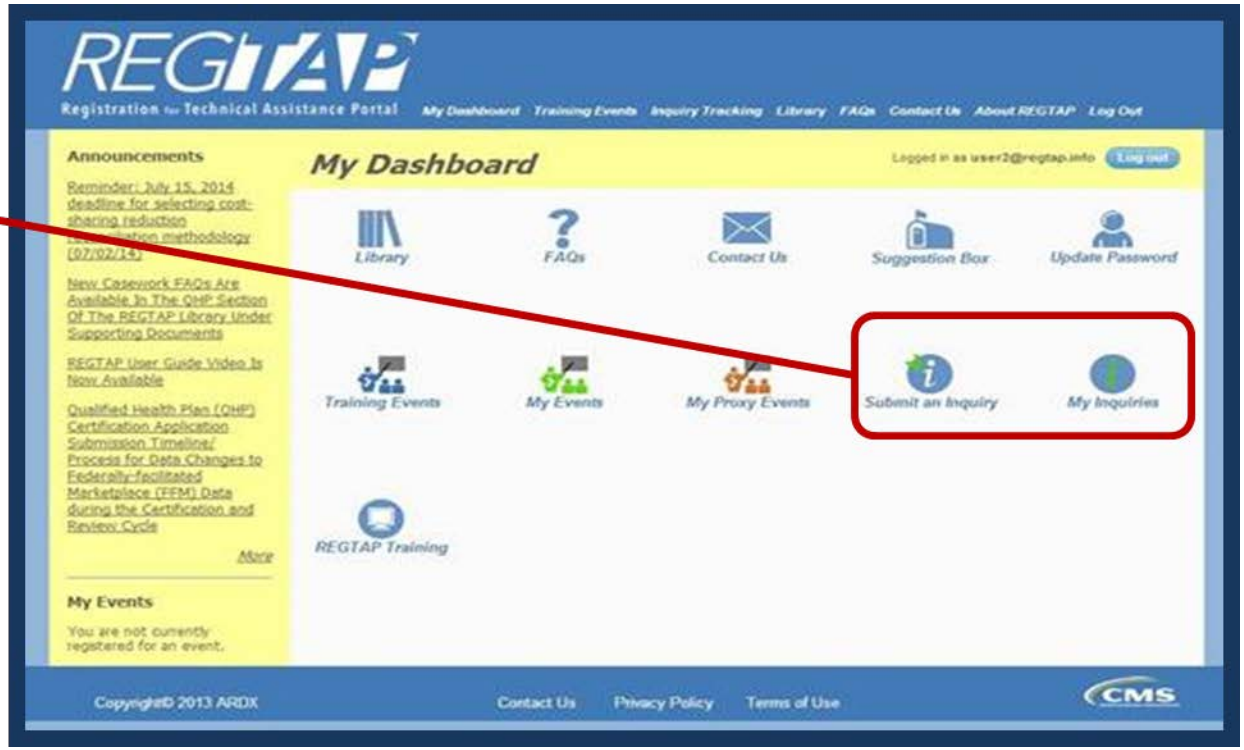
Under Program Area, select "Payment Processing (X12 HIX 820)"



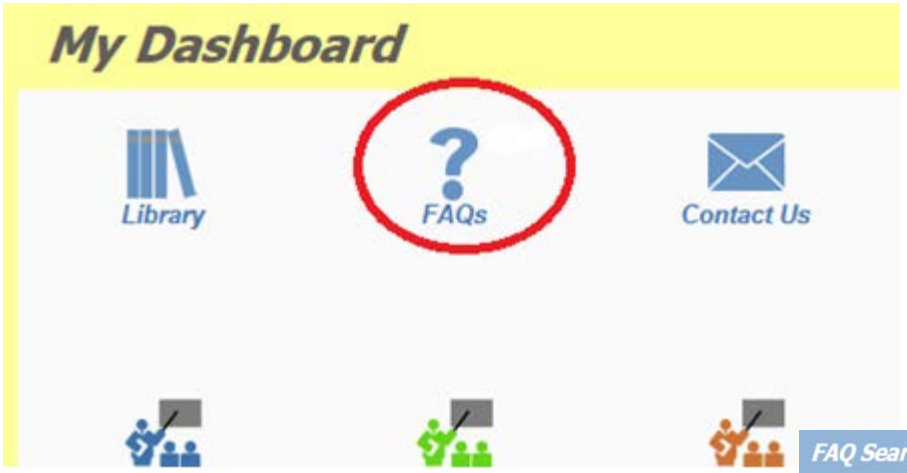
Inquiry Tracking and Management System (ITMS)

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

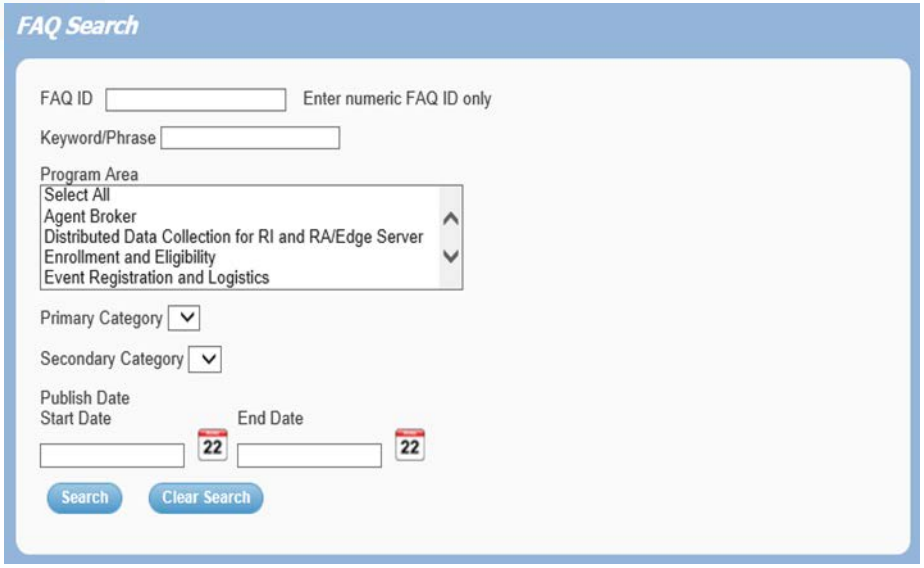
Select “Submit an Inquiry” from My Dashboard.



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