

Risk Adjustment (RA) User Fees & Data Quality Analysis Report (DQAR) Updates

April 8, 2015



**Health Insurance Marketplace Program
Training Series**

Agenda

- Session Guidelines
- Session Purpose
- Risk Adjustment User Fees (RAUF)
- Questions
- Closing Remarks

Session Guidelines

- This is a ninety-minute webinar session, followed by a user group next week.
- Frequently Asked Questions (FAQs) will be posted in the coming weeks.
- For questions regarding content, please submit inquiries to REGTAP at <https://www.regtap.info/>
- For questions regarding logistics and registration, please contact the Registrar at: (800) 257-9520.

Intended Audience

- Issuers of Marketplace and Non-Marketplace plans, in states where the Department of Health and Human Services (HHS) operates the Risk Adjustment (RA) and Reinsurance (RI) programs
- Third Party Administrators (TPAs) and support vendors
- Amazon and On-Premise EDGE server issuers (Marketplace and Non-Marketplace)

Purpose

- This training will provide an overview and guidance on the calculation and reports generated for RA user fees.

Risk Adjustment User Fees: Authority

Risk Adjustment User Fees: Authority

The following sections provide the authority to charge user fees:

- §153.610(f)(2) of the Payment Notice provides that an issuer of a risk adjustment covered plan must remit a user fee to HHS for each month equal to the product of its monthly enrollment in the plan and the per-enrollee-per-month risk adjustment user fee specified in the annual Payment Notice for the applicable benefit year.
- §31 U.S.C. 9701 permits a federal agency to establish a charge for a service provided by the agency.
 - HHS has the authority to charge and collect user fees.

Risk Adjustment User Fees

- The Centers for Medicare & Medicaid Services (CMS) is the HHS entity responsible for implementing the HHS-operated RA program under the Affordable Care Act (ACA).
- CMS will charge a user fee to RA issuers in states where HHS is operating the RA program.
- Fees are collected to defray the costs of administering the RA program.
- Collection of user fees is an annual process that will occur in the summer of the year after the applicable benefit year (summer 2015 for 2014 benefit year).

Risk Adjustment User Fees: Calculation

Risk Adjustment User Fees: Calculation

- User fees may change from year to year based on the total costs that CMS estimates to operate the RA program for that benefit year.
- User fees will be evaluated based on the projected and actual annual enrollment in RA covered plans for that benefit year.

Risk Adjustment User Fees: Calculation (continued)

- CMS assesses user fees on a per-enrollee-per-month basis to account for fluctuations in monthly enrollment.
- CMS initiates the RAUF calculation on the issuer's individual External Data Gathering Environment (EDGE) server.
- The issuer's EDGE server will:
 1. Calculate the member months for each enrollment period.
 2. Sum the member months for each plan.
 3. Calculate the plan-level RAUF.

Risk Adjustment User Fees: Calculation (continued)

CMS will calculate each issuer's per-enrollee-per-month user fee based on two (2) inputs:

- The national per-capita rate announced in the Notice of Benefit and Payment Parameters.
- The issuer's monthly enrollment as determined based on plan enrollment periods submitted on the EDGE Server.

Risk Adjustment User Fees

Calculation: National Per Capita Rate

- CMS calculates the national per capita rate by dividing the total operating cost by the expected enrollment in RA covered plans to yield a per-member per-month (PMPM) amount.

Formula: $RAUF = \text{National Per Capita Rate} \times \text{Issuer Member Months}$.

- The 2014 national per-capita rate user fee rate is \$0.96, which results in a per-enrollee-per-month rate of \$0.08.

Risk Adjustment User Fees: Reports

Risk Adjustment User Fees: Reports

The RAUF report contains information on RAUF amounts calculated on each issuer's EDGE server:

- The issuer and CMS will receive the same outbound report.
- User fees are first calculated at the 16-digit plan level.
- The total user fee at the issuer level is also provided in the report.

RA User Fee XML Example

```
<?xml version="1.0" encoding="UTF-8" standalone="true"?>
- <raUserFeeReport xmlns="http://vo.edge.fm.cms.hhs.gov">
  - <includedFileHeader>
    <outboundFileIdentifier>eb078f4e-8754-43f9-8ab0-9448839ca61b</outboundFileIdentifier>
    <cmsBatchIdentifier>CMS001</cmsBatchIdentifier>
    <cmsJobIdentifier>CMSJOB001</cmsJobIdentifier>
    <snapshotFileName>53590.BACKUP.D12132014T105437.dat</snapshotFileName>
    <snapshotFileHash>dca1190958cc668caa581e8a2d47c8afbe0f4672</snapshotFileHash>
    <outboundFileGenerationDateTime>2014-12-13T22:54:39</outboundFileGenerationDateTime>
    <interfaceControlReleaseNumber>01.00.00</interfaceControlReleaseNumber>
    <edgeServerVersion>EDGESEVER_4.00.00_b0103</edgeServerVersion>
    <edgeServerProcessIdentifier>9</edgeServerProcessIdentifier>
    <outboundFileTypeCode>RAUF</outboundFileTypeCode>
    <edgeServerIdentifier>400715</edgeServerIdentifier>
    <issuerIdentifier>53590</issuerIdentifier>
  </includedFileHeader>
  <calendarYear>2014</calendarYear>
  <executionType>P</executionType>
  <uniqueEnrollees>12</uniqueEnrollees>
  <totalMemberMonths>103.07</totalMemberMonths>
  <totalRAUserFee>8.25</totalRAUserFee>
  - <includedPlanIdentifier>
    <planIdentifier>53590MD037000101</planIdentifier>
    <state>MD</state>
    <totalEnrollees>2</totalEnrollees>
    <totalMemberMonths>18.20</totalMemberMonths>
    <totalRAUserFee>1.46</totalRAUserFee>
  </includedPlanIdentifier>
  - <includedPlanIdentifier>
    <planIdentifier>53590MD037000102</planIdentifier>
    <state>MD</state>
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    <totalMemberMonths>12.07</totalMemberMonths>
    <totalRAUserFee>0.97</totalRAUserFee>
  </includedPlanIdentifier>
  - <includedPlanIdentifier>
    <planIdentifier>53590MD037000103</planIdentifier>
    <state>MD</state>
    <totalEnrollees>2</totalEnrollees>
    <totalMemberMonths>18.20</totalMemberMonths>
    <totalRAUserFee>1.46</totalRAUserFee>
  </includedPlanIdentifier>
- </includedPlanIdentifier>
```


Risk Adjustment User Fees: Reports

- RA User Fee Category: File Header

| Business Data Element | Description | Data Category | Frequency of Occurrence | XML Element Names | Data Type | Restrictions |
|-----------------------|---|---------------|--|-----------------------------|---------------------------|---|
| Report Header | <p>This XML element describes the file processing header related elements for this report.</p> <p>It uses the shared common file header XML elements utilized across the outbound reports.</p> <p>The XML element exists to connect this level of the XML file to the nested common elements and has no business meaning. It should be processed to identify the file header section of the report.</p> | File Header | 1 | RARCommonOutboundFileHeader | Report Header | None |
| Calendar Year | For example, 2014 or 2015 | File Header | 1 | calendarYear | String | Strict - YYYY |
| Execution Type | Designate preliminary or final run. | File Header | 1 | executionType | String | minLength = 1; maxLength = 30 Enumeration Values: "P" - Preliminary "F" - Final |
| Total enrollees | Total count of enrollees for a distinct plan. | File Header | 1 | uniqueEnrollees | Integer | minInclusive = 1; maxInclusive = 999999999 |
| Total member months | Total count of member months for all enrollees in a distinct plan (based on all enrollment periods). | File Header | 1 | totalMemberMonths | Decimal | minInclusive = 0; maxInclusive = 999999999.99 |
| Total RA User Fee | Total enrollee member months x \$0.08 per enrollee for a distinct plan. | File Header | 1 | totalRAUserFee | Decimal | minInclusive = 0; maxInclusive = 999999999.99 |
| Plan Category | It exists to connect this level of the XML file to the next level of nested XML elements and has no business meaning. | Plan | 1 or more per insurance plan in the reported submission file | includedPlanIdentifier | RaUserFeePlanCategory.xsd | none |

Risk Adjustment User Fees: Reports

- RA User Fee Category: Plan

| Business Data Element | Description | Data Category | Frequency of Occurrence | XML Element Names | Data Type | Restrictions |
|-----------------------|--|---------------|-------------------------|-------------------|-----------|--|
| Plan ID | Unique identifier for insurance plan offered by Issuer that the enrollee is covered under. The Plan ID includes the CSR variant. | Plan | 1 | planIdentifier | String | Length = 16 |
| State | State where the plan is offered. | File Header | 1 | state | String | Length = 2 |
| Total enrollees | Total count of enrollees for a distinct plan. | File Header | 1 | totalEnrollees | Integer | minInclusive = 1; maxInclusive = 999999999 |
| Total member months | Total count of member months for all enrollees in a distinct plan (based on all enrollment periods). | File Header | 1 | totalMemberMonths | Decimal | minInclusive = 0; maxInclusive = 999999999.99 |
| Total RA User Fee | Total enrollee member months x \$0.08 per enrollee for a distinct plan. | File Header | 1 | totalRAUserFee | Decimal | minInclusive = 0; maxInclusive = 999999999.99 |

Next Steps

Next Steps: Training Sessions

CMS will continue to support stakeholders through the RA program process by hosting webinar trainings and user group sessions.

Next Steps: Training Sessions

(continued)

Upcoming Training Sessions*:

| Date | Time | Session |
|----------------|----------------------------|------------|
| April 15, 2015 | 11:30 a.m. – 12:30 p.m. ET | User Group |
| April 22, 2015 | 11:30 a.m. – 1:00 p.m. ET | Webinar |

*Tentative schedule subject to change

Locating RA Documents in REGTAP

Stakeholders can access additional documents at <https://www.REGTAP.info> in the REGTAP Library

Under Program Area, select “Risk Adjustment”

The screenshot displays the REGTAP Library interface. At the top, the REGTAP logo is followed by the text 'Registration for Technical Assistance Portal' and navigation links: 'My Dashboard', 'Training Events', 'Inquiry Tracking', 'Library', and 'FAQs'. Below this, the 'Library' section is active. A 'Filter by:' dropdown menu is open, showing a list of 'Program Area' options. A red arrow points from the text 'Under Program Area, select “Risk Adjustment”' to the 'Risk Adjustment' option in the dropdown. The dropdown list includes: Agent Broker, Distributed Data Collection for RI and RA/Edge Server, Enrollment and Eligibility, Event Registration and Logistics, HHS-Operated Risk Adjustment Data Validation (RADV), Payments, Payments-Monthly Payment Cycle, Payments-Payee Groups, Payments-Remittance Message (X12 HIX 820), Payments-Remitting Amounts Due, PM-Rx, Premium Payments, Qualified Health Plan (QHP), Qualified Health Plan (QHP)-APTC & CSR Data, Reinsurance, Reinsurance-Contributions, Risk Adjustment (highlighted), Risk Corridors, SHOP, and Other. To the right of the dropdown, there is a 'Training Event' search bar with a 'Search' button and a 'Program Area' filter section with a list of categories: Enrollment and Eligibility, Reinsurance-Contributions, Reinsurance-Contributions, Agent Broker, Payments-Monthly Payment Cycle, and Payments-Monthly Payment Cycle.

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

Resources

| Resource | Resource Link |
|---|--|
| U.S. Department of Health & Human Services | http://www.hhs.gov/ |
| Centers for Medicare & Medicaid Services (CMS) | http://www.cms.gov/ |
| The Center for Consumer Information & Insurance Oversight (CCIIO) web page | http://www.cms.gov/ccio |
| Consumer website on Health Reform | http://www.healthcare.gov/ |
| Registration for Technical Assistance Portal (REGTAP) - presentations, FAQs | https://www.REGTAP.info |
| Do-It-Yourself (DIY) Software | http://www.cms.gov/ccio/Resources/Regulations-and-Guidance/index.html#Premium Stabilization Programs http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/DIY-instructions-5-20-14.pdf |

Resources (continued)

| Resource | Resource Link |
|---|---|
| Patient Protection and Affordable Care Act (ACA) | http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/content-detail.html |
| Standards Related to Reinsurance, Risk Corridors, and Risk Adjustment under the ACA | http://www.gpo.gov/fdsys/pkg/FR-2011-07-15/pdf/2011-17609.pdf |
| HHS Notice of Benefit and Payment Parameters for 2014 and Amendments to the HHS Notice of Benefit and Payment Parameters for 2014 | http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf |
| HHS Notice of Benefit and Payment Parameters for 2015 and Amendments to the HHS Notice of Benefit and Payment Parameters for 2015 | http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf |

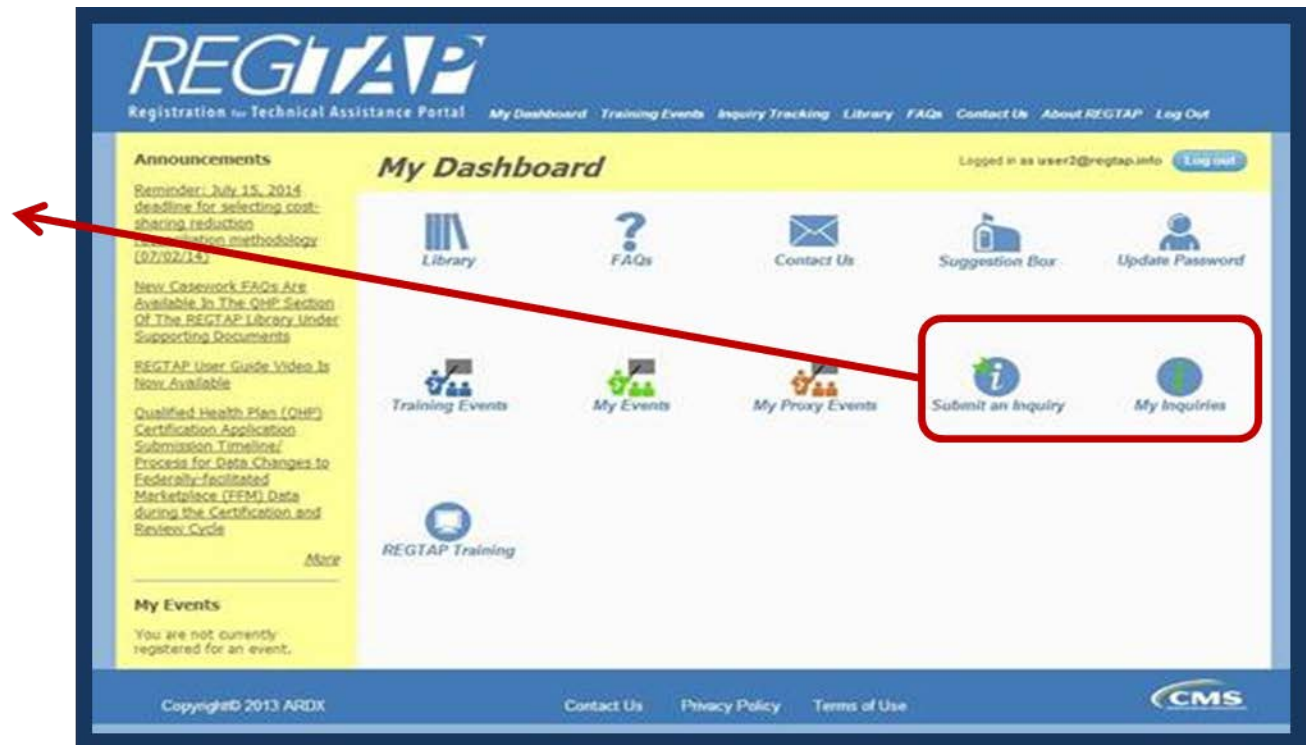
Resources (continued)

| Resource | Resource Link |
|--|---|
| HHS Notice of Benefit and Payment Parameters for 2016 | http://www.gpo.gov/fdsys/pkg/FR-2015-02-27/pdf/2015-03751.pdf |
| Standards Related to Reinsurance, Risk Corridors and Risk Adjustment under the ACA | http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf |
| Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards; Amendments to the HHS Notice of Benefit and Payment Parameters for 2014 | http://www.gpo.gov/fdsys/pkg/FR-2013-10-30/pdf/2013-25326.pdf |
| Health Insurance Market Rules, Rate Review Final Rule | http://www.gpo.gov/fdsys/pkg/FR-2013-02-27/pdf/2013-04335.pdf |

Inquiry Tracking and Management System (ITMS)

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

Select 'Submit an Inquiry' from My Dashboard.



Note: Enter only one (1) question per submission.

FAQ Database on REGTAP

My Dashboard



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/>

FAQ Search

FAQ ID Enter numeric FAQ ID only

Keyword/Phrase

Program Area

Select All
Agent Broker
Distributed Data Collection for RI and RA/Edge Server
Enrollment and Eligibility
Event Registration and Logistics

Primary Category

Secondary Category

Publish Date

Start Date

End Date

Search

Clear Search

Closing Remarks