Centers for Medicare & Medicaid Services (CMS)
Federally Facilitated Marketplace

EDGE Server: Reinsurance (RI) Quick Reference Guide

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Introduction

The purpose of this document is to provide an overview of the individual enrollee-level Reinsurance (RI) calculations that will occur on the External Data Gathering Environment (EDGE) server for the 2014 Benefit Year.

Regulations at 45 CFR Part 153 establish standards for the Transitional Reinsurance Program. These rules can be found at the following link:

http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/index.html

Reinsurance Calculation Overview

The reinsurance calculation consists of seven (7) steps, starting with identifying and assigning enrollees and claims followed by applying necessary adjustments and parameters. The following steps used in the reinsurance calculation are outlined in sequence:

1. Identify reinsurance claims that are eligible to be included in the benefit year.
2. Identify the reinsurance eligible enrollees and enrollment periods.
3. Calculate and aggregate reinsurance eligible claims for reinsurance eligible enrollees (aggregation of individual claims paid year-to-date (YTD).
4. Apply Cost-Sharing Reduction (CSR) Maximum Out-of-Pocket (MOOP) adjustment to total paid amount per enrollee.
5. Calculate enrollee RI eligible total paid amount
6. Apply national reinsurance parameters to calculate reinsurance estimate per enrollee.
7. Calculate issuer RI estimate.

1 Step 1: Identify RI Eligible Claims

The first step in the reinsurance process is identifying eligible claims in the individual market as well as medical and pharmacy claims used in reinsurance calculations.

The following requirements must be satisfied when selecting and identifying **any** eligible claim:

- **Only** individual market plan claims can be selected for reinsurance payment
- Only **active** claims are eligible for consideration (Claims in an **inactive** status are not eligible for consideration)
- Each claim must match to an enrollee ID (Claims without active enrollees are considered orphaned claims, and outbound files will be generated for issuers listing all orphaned claims)
- The Plan ID on the claim must match the Plan ID of at least one (1) active enrollment period in 2014

The following requirements are **Medical Claim** specific selection rules:

- Statement Cover Through Date must be January 1st – December 31st of the corresponding payment year
- Statement Cover From Date must fall during the active enrollment period for the enrollee

The following requirements are **Pharmacy Claim** specific selection rules:

- Fill Date must fall between January 1st – December 31st of the corresponding payment year
- Fill Date must take place during the active enrollment period for the enrollee

The following specifications will dictate if a claim is **dropped** from the 2014 Benefit Year calculations:

- Claims with start date before January 1, 2014
- Claims with end date after December 31, 2014
- Orphan claims not tied to an enrollee in the 2014 Benefit Year

Figure 1 provides the list of sample claims data.

The first column describes the scenario exemplified by the particular claim row, and the last column indicates if the claim was included for RI.

Figure 1: Sample Calculation Claims Data

Scenario	Plan Effective Start Date	Plan Effective End Date	Plan ID	Enrollment Period Start Date	Enrollment Period End Date	Enrollee ID	Claim ID	Claim Type (Medical / Pharmacy)	Covers From (Medical)	Covers To Date (Medical) Fill Date (Pharmacy)	Claim Paid Amount	Included for RI?	Exclusion Reason
Claim with start date before 1/1/2014	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	JSMITH	C123	Medical	12/14/2013	01/05/2014	$1,000.00	N	From date prior to 1/1/2014
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	JSMITH	C124	Medical	01/06/2014	01/06/2014	$2,000.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	JSMITH	C125	Pharmacy	-	03/01/2014	$1,500.00	Y	-
Claim with end date after last day of benefit year	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	JSMITH	C126	Medical	12/20/2014	01/05/2015	$4,000.00	N	Through date not in the benefit year
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	JSMITH	C127	Pharmacy	-	12/15/2014	$200.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	05/31/2014	RANDRESON	C128	Medical	01/05/2014	01/05/2014	$5,000.00	Y	-

Scenario	Plan Effective Start Date	Plan Effective End Date	Plan ID	Enrollment Period Start Date	Enrollment Period End Date	Enrollee ID	Claim ID	Claim Type (Medical / Pharmacy)	Covers From (Medical)	Covers To Date (Medical) Fill Date (Pharmacy)	Claim Paid Amount	Included for RI?	Exclusion Reason
RI Orphan Claim - Active Enrollment Period Does not Exist for Claim Date	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	01/31/2014	RANDRESON	C129	Pharmacy		07/01/2014	$1,000.00	N	Claim does not take place during an active enrollment period
RI Eligible Claim	01/01/2014	12/31/2014	11111VA004999904	08/01/2014	12/31/2015	RANDRESON	C130	Pharmacy	-	10/01/2014	$200.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	08/15/2014	JOHNSTEVENS	C131	Pharmacy	-	05/05/2014	$10,000.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	08/15/2014	MARYSTEVENS	C132	Pharmacy	-	01/05/2014	$4,000.00	Y	-
Enrollee with no claims	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	08/15/2014	EVANSTEVENS	-	-	-	-	-	N	No Claims
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	01/31/2014	PJOHNSON	C134	Medical	01/01/2014	01/31/2014	$1,500.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	PJOHNSON	C135	Medical	02/01/2014	02/04/2014	$500.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	SJOHNSON	C136	Medical	02/03/2014	02/04/2014	$1,000.00	Y	-
RI eligible claim	01/01/2014	12/31/2014	11111VA004999901	01/01/2014	12/31/2014	SJOHNSON	C137	Medical	01/14/2014	01/14/2014	$10,000.00	Y	-

2 Step 2: Identify RI Eligible Enrollees and Enrollment Periods

Once all claims that are eligible for the benefit year have been identified (Step 1), issuers will select the complete list of RI eligible enrollees and associated enrollment periods for the benefit year. This step also includes RI eligible enrollees that did not have any claims and were not selected during the first step. To be selected as eligible enrollees, enrollees must meet one of the following criteria:

- Enrollees must have one or more eligible claims for the payment year; or
- Enrollees have no reinsurance eligible claims **and** have an active enrollment period for an individual plan for the payment year

RI eligible enrollees who do not have eligible claims will be included in reinsurance reporting, but do not contribute to reinsurance calculation estimates.

Once all claims that are eligible for the benefit year have been identified, the complete list Unique Enrollee IDs and associated enrollment periods for the payment year are also identified.

Figure 2 outlines the enrollment periods that are included for the sample calculation with a description of the scenario that is described by each plan in the first column. The final row is provided to demonstrate an enrollment period that does not contain at least one (1) day within the benefit year and is therefore not included for RI calculations for that year.

Figure 2: Sample Calculation Enrollee Data

Scenario	Enrollment Period ID	Plan ID	Enrollee ID	Enrollment Period Start Date	Enrollment Period End Date	Subscriber Indicator	Subscriber ID	Enrollment Period Activity Indicator	Eligible for RI?
Enrollee with one enrollment period	1	11111VA004999901	JSMITH	01/01/2014	12/31/2014	Y	-	021028	Y
Enrollee with a partial year enrollment period	3	11111VA004999901	RANDERSON	01/01/2014	05/31/2014	Y	-	021028	Y
Enrollee with a second partial year enrollment period on the same plan	4	11111VA004999901	RANDERSON	08/01/2014	12/31/2014	Y	-	021028	Y
Family policy for a partial year	5	11111VA004999901	JOHNSTEVENS	01/01/2014	08/15/2014	Y	-	021028	Y
	6	11111VA004999901	MARYSTEVENS	01/01/2014	08/15/2014	N	JOHNSTEVENS	021028	Y
	7	11111VA004999901	EVANSTEVENS	01/01/2014	08/15/2014	N	JOHNSTEVENS	021028	Y
Individual policy for an enrollee that is also on a family policy	8	11111VA004999901	PJOHNSON	01/01/2014	01/31/2014	Y	-	021028	Y
A family policy where one enrollee is also in an individual policy	9	11111VA004999901	PJOHNSON	01/01/2014	12/31/2014	Y	-	001	Y
	10	11111VA004999901	SJOHNSON	01/01/2014	12/31/2014	N	PJOHNSON	021EC	Y
Enrollee on a second policy in the same plan	11	11111VA004999901	SJOHNSON	01/01/2014	12/31/2014	Y	-	021028	Y
Ineligible Enrollment period based on coverage dates	12	11111VA004999901	PCLARCK	01/01/2015	12/31/2015	Y	-	021028	N

3 Step 3: Aggregate Individual Claims Paid YTD

All reinsurance eligible claims will be assigned to reinsurance eligible enrollees. The total plan paid amount for each claim will then be aggregated for each enrollee. If an enrollee is in more than one (1) plan for an issuer in one (1) year, claims across the plans will be aggregated. This step will produce a year to date (YTD) **total paid amount** for each enrollee within the issuer.

The RI eligible total paid amount is calculated for each enrollee for the claims selected. In the below example, enrollee JSMITH has a total of three (3) RI eligible claims for a total of $3,700.00.

Enrollee JSMITH Example Calculation Based on Figure 3

(JSMITH) = Sum RI Eligible Claims = $2,000 + $1,500 + $200 = **$3,700.00**

Figure 3: Aggregate Claim Paid YTD

Enrollee ID	Claim ID	Claim Type (Medical / Pharmacy)	Covers From (Medical)	Covers To Date (Medical) Fill Date (Pharmacy)	Claim Paid Amount	Included for RI?	Exclusion Reason	RI Eligible Plan Paid Amount per Claim	Total Enrollee Paid Amount
JSMITH	C123	Medical	12/14/2013	01/05/2014	$1,000.00	N	From date prior to 1/1/2014	$0.00	
JSMITH	C124	Medical	01/06/2014	01/06/2014	$2,000.00	Y	-	$2,000.00	
JSMITH	C125	Pharmacy	-	03/01/2014	$1,500.00	Y	-	$1,500.00	$3,700.00
JSMITH	C126	Medical	12/20/2014	01/05/2015	$4,000.00	N	To date not in the benefit year	$0.00	
JSMITH	C127	Pharmacy	-	12/15/2014	$200.00	Y	-	$200.00	

4 Step 4: Calculate CSR MOOP Adjustment and Apply to Total Paid Amount

The reinsurance calculation includes an adjustment for CSR enrollees to account for the CSR payments that issuers receive from the Department of Health and Human Services (HHS) in order to reduce their claims liability. This is known as the “CSR MOOP Adjustment”. The CSR MOOP calculation includes the following steps:

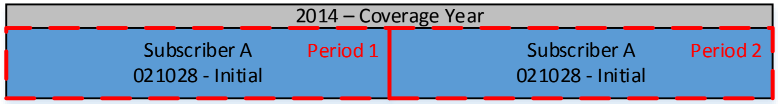
Step 4.1: Identify “CSR MOOP Adjustment Periods”. (These are the periods that will be used in the CSR MOOP Adjustment calculation.)
Step 4.2: Lookup MOOP reference value for each CSR MOOP Adjustment Period and the apply CSR MOOP Adjustment logic.
Step 4.3: Calculate the individual CSR MOOP Adjustment or, when applicable, calculate the family CSR MOOP Adjustment and allocate the family CSR MOOP Adjustment across family members.
Step 4.4: Determine total CSR MOOP Adjustment for each individual by summing his or her CSR MOOP Adjustments across all CSR MOOP Adjustment Periods.

4.1 Identify Individual and Family CSR MOOP Adjustment Periods

For enrollees in individual coverage, a separate MOOP calculation will be calculated for each CSR MOOP Adjustment Period. For example, if an enrollee switches plans mid-year and has two (2) CSR MOOP Adjustment Periods, two (2) separate CSR MOOP Adjustments are calculated corresponding to each CSR MOOP Adjustment Period:

Subscriber A (Period 1): 1/1/2014-5/31/2014
Subscriber A (Period 2): 6/1/2014-12/31/2014

Figure 4: Example of Individual CSR MOOP Adjustment Periods



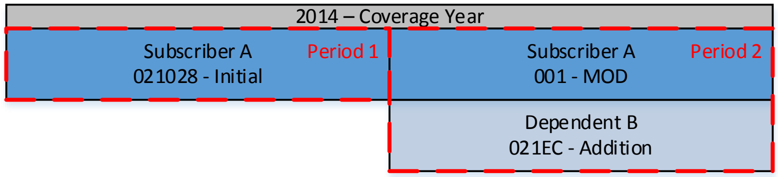
Result: Two (2) periods are created. The second subscriber enrollment period is not a modification, so it does not extend the policy.
- **Period 1**: 1/1/2014-5/31/2014
- **Period 2:** 6/1/2014-12/31/2014

MOOP Consequence: There are two (2) enrollment periods, so there are two (2) CSR MOOP Adjustment Periods and therefore two (2) individual CSR MOOP Adjustment calculations.

For family policies there may be more than one (1) CSR MOOP Adjustment Period within an enrollment period if there is a change in the dependents within the enrollment period. For example, if a subscriber has an enrollment period for the entire duration for 2014, but adds a dependent mid-year, the subscriber would have one (1) CSR MOOP Adjustment Period for the first half of the year before the dependent joined the policy, and a second CSR MOOP Adjustment Period for the second half of the year after the dependent joined the policy:

- Subscriber A (Period 1): 1/1/2014-5/31/2014
- Subscriber A (Period 2): 6/1/2014-12/31/2014
- Dependent B: 6/1/2014-12/31/2014

Figure 5: Example of Family CSR MOOP Adjustment Periods



Result: Two (2) CSR MOOP Adjustment Periods are created, an individual period and a family period. The second subscriber enrollment period is a modification so it extends the policy.

- **Period 1**: 1/1/2014-5/31/2014
- **Period 2:** 6/1/2014-12/31/2014

MOOP Consequence: There are two (2) CSR MOOP Adjustment Periods, so there are two (2) CSR MOOP Adjustment calculations. There is an individual CSR MOOP Adjustment calculation for Period 1, and then a family CSR MOOP Adjustment calculation for Period 2.

4.2 Lookup MOOP Reference Value for Each CSR MOOP Adjustment Period and Apply CSR MOOP Adjustment Logic

After CSR MOOP Adjustment Periods are identified, the EDGE server then uses the plan reference data to find the plan MOOP values that are used in the adjustment.

For each CSR MOOP Adjustment Period, the 16-digit Plan ID and policy structure (individual or family) are used to extract the MOOP value from the reference table.

Figure 6: CSR MOOP Plan Reference Table

16-DIGIT PLAN ID	PLAN VARIANT	INDIVIDUAL MOOP	FAMILY MOOP
12345VA001999900	0	$6,350.00	$12,700.00
12345VA001999901	1	$6,350.00	$12,700.00
12345VA001999902	2	$ 0	$ 0
12345VA001999903	3	$6,350.00	$12,700.00
12345VA001999904	4	$5,200.00	$10,400.00
12345VA001999905	5	$2,000.00	$4,000.00
12345VA001999906	6	$700.00	$1,400.00

Enrollees that are in more than one (1) plan for the coverage year may have more than one (1) applicable CSR MOOP Adjustment. For these enrollees, the total CSR MOOP Adjustment will be equal to the sum of the CSR MOOP Adjustments of each plan prorated based on the duration of each CSR MOOP Adjustment Period. Similarly, enrollees that are in only one (1) plan for a portion of the coverage year will have a prorated CSR MOOP Adjustment.

Only enrollees in CSR plan variations will have numeric (non-zero) MOOP adjustments. Enrollees in plan variants of **"00",** and **"01",** and **"30",** and **"31,"** will have a $0 MOOP adjustment. For any other plan variant, you subtract the reference value for that individual plan from the reference value for the standard component plan (**"01"** 16-digit plan variant).

The system will use the following logic to calculate the CSR MOOP Adjustment:

- For 16-digit plans ending in **"00", "01", "30"** or **"31",** a $0.00 CSR MOOP Adjustment will be applied. The value from the plan reference table is not used.
- For 16-digit plans with a variant other than **"00", "01", "30"** or **"31",** the CSR MOOP value of the 16-digit plan is subtracted from the CSR MOOP value for the "01" variant with the same first 14-digits of the Plan ID. The resulting value is the CSR MOOP Adjustment value that is used for the 16-digit Plan ID. The CSR MOOP Adjustment cannot be negative. If the CSR MOOP value of the **"01"** variant for the plan is smaller than the CSR MOOP value of the 16-digit plan, an error will be logged and the 16-digit plan will not be included for the RI calculation.
- If a 16-digit plan with a variant other than **"00", "01", "30"or "31"** does not have a CSR MOOP value in the plan reference table, or does not have a CSR MOOP value for the **"01"** variant with the same first 14-digits of the Plan ID, an error message is shown and the plan is excluded from the RI calculation.

The following tables (Figures 7 and 8) contain additional data scenarios to demonstrate how the CSR MOOP Adjustment logic will work.

Figure 7: Calculate the CSR MOOP Adjustment for Plan IDs Ending "00", "01", "30", and "31"

16-Digit Plan ID	Individual MOOP Value (From Plan Reference)	CSR MOOP Adjustment (Used for RI Calculation)
12345VA001999900	$6,350.00	$0.00
12345VA001999901	$6,350.00	$0.00
12345VA001999930	$6,350.00	$0.00
12345VA001999931	$6,350.00	$0.00
12345VA001999900	$6,350.00	$0.00
12345VA001999900	$6,350.00	$0.00

Figure 8: Calculate the CSR MOOP Adjustment for CSR Plan Variations.

16-Digit Plan ID	Individual MOOP Value (From Plan Reference)	Calculation	CSR MOOP Adjustment (Used for RI Calculation)
12345VA001999902	$0.00	$6,350 - $0	$6,350
12345VA001999903	$6,350.00	$6,350 - $6,350	$0
12345VA001999904	$5,200.00	$6,350 - $5,200	$1,150
12345VA001999905	$2,000.00	$6,350 - $2,000	$4,350
12345VA001999906	$700.00	$6,350 - $700	$5,650

4.2.1 Calculate Individual Policy CSR MOOP Adjustment

To calculate the individual policy CSR MOOP Adjustment, the CSR plan variation MOOP is subtracted from the standard plan (“01” variant) MOOP, and the difference is prorated by proportion of the days in the CSR MOOP Adjustment Period

$$\text{CSR MOOP Adjustment}_{\textit{Enrollee}} = (\text{MOOP}_{\textit{Individual Standard Plan}} - \text{MOOP}_{\textit{Individual CSR Plan Variation}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

4.2.2 Calculate Individual Subscriber on Multiple Plans CSR MOOP Adjustment

Because EDGE servers are specific to individual Issuer IDs, if an individual enrollee is in multiple plans under one (1) issuer and switches plans mid-year, claims data for the enrollee will be aggregated across plans. If an enrollee switches plans under different issuers within a coverage year, the claims across issuers will not be aggregated.

Enrollees that are in more than one (1) plan for the coverage year may have more than one (1) applicable CSR MOOP Adjustment. For these enrollees, the total CSR MOOP Adjustment will be equal to the sum of each CSR MOOP Adjustment of each plan prorated based on each CSR MOOP Adjustment Period.

$$\text{CSR MOOP Adjustment}_{\textit{Enrollee}} = \sum \text{CSR MOOP Adjustment}_{\textit{Period}} \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

4.2.3 Calculate Family Policy CSR MOOP Adjustment

Family policy CSR MOOP Adjustments are allocated to the individual policy members based on the claims total of each member within the CSR MOOP Adjustment period. To calculate the family policy CSR MOOP Adjustment, CSR plan variation family MOOP is subtracted from the standard plan family (“01” variant) MOOP and the difference is prorated by proportion of the days in the CSR MOOP Adjustment Period as described in the formula below. Note: Only the portion of the period that is also within the applicable benefit year is used.

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = (\text{MOOP}_{\textit{Standard Family Plan}} - \text{MOOP}_{\textit{Family CSR Plan Variant}}) \times \frac{\text{Days in the CSR MOOP Adjusment Period}}{365}$$

Once the CSR MOOP Adjustment for the family policy is determined, the CSR MOOP Adjustment is then distributed between all enrollees in the family policy, including dependents using the following formulas:

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Subscriber A Claims in the Period}}{\text{Total Claims in the Period}}$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Dependent B Claims in the Period}}{\text{Total Claims in the Period}}$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent C}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Dependent C Claims in the Period}}{\text{Total Claims in the Period}}$$

If a family member has more than one (1) CSR MOOP Adjustment Period, then his or her enrollee total CSR MOOP Adjustment is calculated as follows:

$$\text{Total CSR MOOP Adjustment}_{\textit{Subscriber A}} =$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A Period 1}} + \text{CSR MOOP Adjustment}_{\textit{Subscriber A Period 2}} + \text{CSR MOOP Adjustment}_{\textit{Subscriber A Period 3}}$$

5 Step 5: Calculate Enrollee RI Eligible Total Paid Amount

The enrollee RI eligible total paid amount is calculated for each enrollee by subtracting the enrollee CSR MOOP Adjustment from the sum of all RI eligible claims for that enrollee for that benefit year, according to the formula below.

RI Total Paid Amount Net of MOOP Adjustment = (RI Total Paid Amount) – (Enrollee CSR MOOP Adjustment)

6 Step 6: Apply National RI Parameters

Reinsurance payments are based on total paid claims costs that fall between the reinsurance attachment point and reinsurance cap, and utilize the coinsurance rate to generate an RI estimate. The **attachment point** is the minimum amount at which enrollees' total claims are included for the RI estimate. The **reinsurance cap** is the maximum amount at which the enrollees' total claims are no longer included in the RI payment. The **coinsurance rate** is the percent applied to the dollar amount between the attachment point and the cap to determine the enrollee's RI payment for the year. For Benefit Year 2014, the calculations will use the following parameters:

- Attachment point: $45,000
- Reinsurance cap: $250,000
- Coinsurance rate: 80%

Applying the reinsurance parameters to enrollees RI total paid amount provides an estimate of the enrollees' reinsurance payments. It is important to keep in mind that the coinsurance rate is dependent on how much funds CMS collects in reinsurance contributions. Dependent on the amount of reinsurance contributions collected, CMS will pay up to 100% of claims costs that fall between the attachment point and reinsurance cap. The EDGE server outbound reports provide payment estimates, assuming an 80% coinsurance rate. **On June 30, 2015, CMS will provide issuers with a payment report that includes the actual coinsurance rate based on collected contributions.**

6.1 Enrollee's RI Eligible Amount Net of the CSR MOOP Adjustment $45,000 < X < $250,000

If the enrollee's total paid claims net of the CSR MOOP Adjustment **is greater than $45,000, but less than $250,000** then:

Reinsurance Payment = (RI Total Paid Amount Net of MOOP Adjustment - $45,000) x 80%

6.2 Enrollee's RI Eligible Amount Net of the CSR MOOP Adjustment ≥ $250,000

If the enrollee's total paid claims net of CSR MOOP adjustment **is greater than or equal to $250,000** then:

Reinsurance Payment = $205,000 x 80%

Note: The difference between the RI cap ($250,000) and the RI attachment point ($45,000) = $205,000. This is the maximum payment an issuer can receive for any RI Eligible enrollee for a benefit year under a 100% coinsurance rate.

7 Step 7: Calculate Issuer RI Estimates

The system sums the enrollee RI estimated amount for all RI eligible claims to determine the issuer's RI estimate amount.

Issuer RI Estimate Amount = Σ Enrollee RI Estimated Amounts for Benefit Year

8 RI Calculation Examples

The following series of examples provide additional detail on how the CSR MOOP Adjustment Periods are created and the CSR MOOP Adjustment is applied. Once the period start and end dates are determined, claims are assigned to the CSR MOOP Adjustment Period and the MOOP is allocated as demonstrated in the sample calculations.

In each of the examples below, it is assumed that all enrollment periods are for the same 16-digit plan. In this instance, the 16-digit plan is 12345VA001999904.

Figure 9: 16-Digit Plan ID Plan Variant MOOPS

16-DIGIT PLAN ID	PLAN VARIANT	INDIVIDUAL MOOP	FAMILY MOOP
12345VA001999900	0	$6,350.00	$12,700.00
12345VA001999901	1	$6,350.00	$12,700.00
12345VA001999902	2	$ 0	$ 0
12345VA001999903	3	$6,350.00	$12,700.00
12345VA001999904	**4**	**$5,200.00**	**$10,400.00**
12345VA001999905	5	$2,000.00	$4,000.00
12345VA001999906	6	$700.00	$1,400.00

In all examples, it is assumed that the RI Calculation Steps 1-3 are complete, eligible RI claims and eligible enrollment periods have already been identified.

Please note that calculations have been rounded in each step to two (2) decimal places for the purpose of these examples; however, the system only rounds enrollee level payments to two (2) decimal places once the issuer reinsurance estimate calculation is completed.

8.1 Example 1: A Subscriber and Dependent Are Enrolled for a Full Year

The total claims paid amount has been aggregated for each enrollee, as shown below:

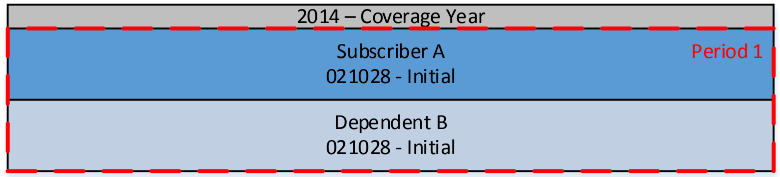
Figure 10: Example 1: Enrollee Total Paid Amount

Example 1: Enrollee Total Paid Amount			
Enrollee	**Plan**	**Enrollment Dates**	**Total Paid Amount**
Subscriber A	12345VA001999904	1/1/2014 - 12/31/2014	$100,000.00
Dependent B	12345VA001999904	1/1/2014 - 12/31/2014	$250,000.00

8.1.1 Identify Family CSR MOOP Adjustment Periods

Subscriber A: 1/1/2014-12/31/2014
Dependent B: 1/1/2014-12/31/2014

Figure 11: Period Example 1



Result: A CSR MOOP Adjustment Period is created for the duration of the enrollment period, as there are no changes in enrollment.
MOOP Consequence: There is one (1) CSR MOOP Adjustment Period, so only one (1) family CSR MOOP Adjustment.

Use MOOP Reference Value and Apply CSR MOOP Adjustment Logic

$$\textit{CSR MOOP Adjustment}_{\textit{Family Policy}} = (\textit{MOOP}_{\textit{Standard Family Plan}} - \textit{MOOP}_{\textit{Family CSR Plan Variant}}) \times \frac{\text{Days in the CSR MOOP AdjustmentPeriod}}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = (12{,}700 - 10{,}400) \times \frac{365}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = 2{,}300 \times 1$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = 2{,}300$$

$$\text{CSR MOOP Adjustment}_{\textit{Enrollee A}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Enrollee A Claims in the Period}}{\text{Total Claims in the Period}}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 2{,}300 \text{ x } \frac{100{,}000}{350{,}000}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 657.14$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Dependent B Claims in the Period}}{\text{Total Claims in the Period}}$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = 2{,}300 \text{ x } \frac{250{,}000}{350{,}000}$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = 1{,}642.86$$

Calculate Enrollee MOOP Adjustment

An individual MOOP Adjustment is calculated for each enrollee by summing the MOOP allocated for each individual enrollment period. However, in this example, there is only one (1) policy for the entire 2014 Coverage Year so there is no need to sum enrollee policies. The individual enrollee CSR MOOP Adjustments are:

Subscriber A = 657.14

Dependent B = 1,642.86

8.1.2 Calculate RI Eligible Total Paid Amount

RI Total Plan Paid Amount Net of MOOP Adjustment = (Total Paid Amount) – (Enrollee CSR MOOP Adjustment)

Subscriber A: Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = 100,000 – 657.14

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = $99,342.86

Dependent B: Dependent B's RI Total Paid Amount Net of MOOP Adjustment = 250,000.00 – 1,642.86

Dependent B's RI Total Paid Amount Net of MOOP Adjustment = $248,357.14

8.1.3 Apply National Parameters

Reinsurance Payment = (RI Total Paid Amount Net of MOOP Adjustment – $45,000) x 80%

Subscriber A's RI Estimate Amount:

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = (99,342.86 – 45,000) x .80

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = 54,342.86 x .80

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = $43,474.29

Dependent B's RI Estimate Amount:

Dependent B's RI Total Paid Amount Net of MOOP Adjustment = (248,357.14 – 45,000) x .80

Dependent B's RI Total Paid Amount Net of MOOP Adjustment = 203,357.14 x .80

Dependent B's RI Total Paid Amount Net of MOOP Adjustment = $162,685.71

8.1.4 Calculate Issuer Reinsurance Estimate

Issuer RI Estimated Amount = Sum of Enrollee RI Estimated Amount

Issuer RI Estimate Amount = $43,474.29 + $162,685.71

Issuer RI Estimated Amount = $206,160.00

Note: Example 1 assumes the issuer only has two (2) enrollees eligible for reinsurance payments.

8.2 Example 2: Two Enrollment Periods for One Subscriber

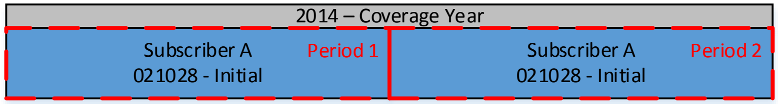
The total claims paid amount has be aggregated for each enrollee, as shown below:

Figure 12: Example 2: Enrollee Total Paid Amount

Example 2: Enrollee Total Paid Amount			
Enrollee	**Plan**	**Dates**	**Total Paid Amount**
Subscriber A	12345VA001999904	1/1/2014 - 5/31/2014	$100,000.00
Subscriber A	12345VA001999905	6/1/2014 - 12/31/2014	$200,000.00

8.2.1 Identify Individual CSR MOOP Adjustment Periods

Figure 13: Period Example 2



Period 1: 1/1/2014-5/31/2014
Period 2: 6/1/2014-12/31/2014
Result: Two (2) CSR MOOP Adjustment Periods are created. The second period is not a modification so it does not extend the policy.
MOOP Consequence: There are two (2) CSR MOOP Adjustment Periods, so there are two (2) CSR MOOP Adjustment calculations.

Use MOOP Reference Value and Apply CSR MOOP Adjustment Logic

Enrollees that are in more than one (1) plan for the coverage year may have more than one (1) applicable CSR MOOP Adjustment. For these enrollees, the CSR MOOP adjustment will be equal to the sum CSR MOOP Adjustments of all plans prorated based on each CSR Adjustment Period.

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = \sum \text{CSR MOOP Adjustment}_{\,Period} \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

Essentially, this means calculating the individual MOOP for each policy period and aggregating the total. This example uses plan variants “04” and “05” from Figure 9.

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = (\text{MOOP}_{\textit{Individual Standard Plan}} - \text{MOOP}_{\textit{Individual CSR Plan Variation}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A Policy 1}} = (6{,}350.00 - 5{,}200.00) \times \frac{151}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A Policy 1}} = 475.75$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A Policy 2}} = (6{,}350.00 - 2{,}000.00) \times \frac{214}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A Policy 2}} = 2{,}550.41$$

Calculate Enrollee CSR MOOP Adjustment

The total individual CSR MOOP Adjustment is calculated for each enrollee by summing the CSR MOOP Adjustment for each CSR MOOP Adjustment Period:

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = \text{CSR MOOP Adjustment}_{\textit{Policy 1}} + \text{CSR MOOP Adjustment}_{\textit{Policy 2}}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 475.75 + 2{,}550.41$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 3{,}026.16$$

8.2.2 Calculate RI Eligible Total Paid Amount

RI Total Paid Amount Net of MOOP Adjustment = (Total Paid Amount) – (CSR MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment = 300,000.00 – 3,026.16

RI Total Paid Amount Net of MOOP Adjustment = 296,973.84

8.2.3 Apply National Parameters

If the enrollees paid claims net of the CSR MOOP adjustment **is greater than $250,000** then:

Reinsurance payments = $205,000.00 x .80

Subscriber A’s RI Estimate Amount: $164,000.00

8.2.4 Calculate Issuer Reinsurance Estimate

$$\text{Issuer RI Estimated Amount} = \text{Sum of Enrollee RI Estimated Amounts}$$

$$\text{Issuer RI Estimated Amount} = \$164{,}000.00$$

Note: Example 2 assumes the issuer only has one (1) enrollee eligible for reinsurance payments.

8.3 Example 3: An Addition of a Dependent

The total claims paid amount has be aggregated for each enrollee, as shown below:

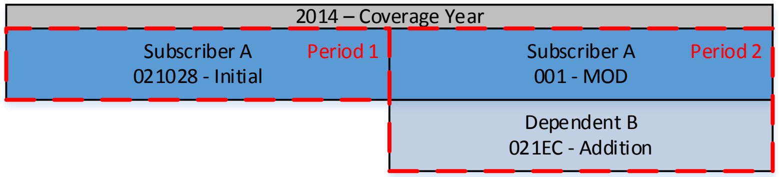
Figure 14: Example 3: Enrollee Total Paid Amount

Example 3: Enrollee Total Paid Amount			
Enrollee	**Plan**	**Dates**	**Total Paid Amount**
Subscriber A	12345VA001999904	1/1/2014 - 5/31/2014	$500,000.00
Subscriber A	12345VA001999904	6/1/2014 - 12/31/2014	$100,000.00
Dependent B	12345VA001999904	6/1/2014 - 12/31/2014	$300,000.00

8.3.1 Identify Individual and Family CSR MOOP Adjustment Periods

Subscriber A (Period 1): 1/1/2014-5/31/2014
Subscriber A (Period 2): 6/1/2014-12/31/2014
Dependent B: 6/1/2014-12/31/2014

Figure 15: Period Example 3



CSR MOOP Adjustment Period 1: 1/1/2014-5/31/2014
CSR MOOP Adjustment Period 2: 6/1/2014-12/31/2014
Result: Two (2) CSR MOOP Adjustment Periods, an individual and a family period are created.
MOOP Consequence: There are two (2) CSR MOOP Adjustment Periods, so there are two (2) CSR MOOP Adjustment calculations. There is an individual CSR MOOP Adjustment calculation for Period 1, and then a family CSR MOOP Adjustment calculation for Period 2.

Use MOOP Reference Value and Apply CSR MOOP Adjustment Logic

CSR MOOP Adjustment Period 1 (Individual):

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = (\text{MOOP}_{\textit{Individual Standard Plan}} - \text{MOOP}_{\textit{Individual CSR Plan Variation}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = (6{,}350 - 5{,}200) \times \frac{151}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 475.75$$

CSR MOOP Adjustment Period 2 (Family):

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = (\text{MOOP}_{\textit{Standard Family Plan}} - \text{MOOP}_{\textit{Family CSR Plan Variant}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = (12{,}700 - 10{,}400) \times \frac{214}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = 2{,}300 \times \frac{214}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = 1{,}348.49$$

Enrollees in Family MOOP Adjustment:

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = \text{CSR MOOP Adjustment}_{\,Family\,Policy} \times \frac{\text{Total Subscriber A Claims in the Period}}{\text{Total Claims in the Period}}$$

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = 1{,}348.49 \times \frac{100{,}000}{400{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = 337.12$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,B} = \text{CSR MOOP Adjustment}_{\,Family\,Policy} \times \frac{\text{Total Subscriber B Claims in the Period}}{\text{Total Claims in the Perid}}$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,B} = 1{,}348.49 \times \frac{300{,}000}{400{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,B} = 1{,}011.37$$

Calculate CSR MOOP Adjustment

An individual CSR MOOP Adjustment is calculated for each enrollee by summing the MOOP allocated for each CSR MOOP Adjustment Period:

Subscriber A has two (2) CSR MOOP Adjustment Periods, so:

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = 475.75 + 337.12$$

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = 812.87$$

Dependent B only has one CSR MOOP Adjustment Periods, so:

$$\text{CSR MOOP Adjustment}_{\,Dependent\,B} = 1{,}011.37$$

8.3.2 Calculate RI Eligible Total Paid Amount

RI Total Paid Amount Net of MOOP Adjustment $_{Subscriber\ A}$ = (Total Paid Amount) – (Enrollee MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment $_{Subscriber\ A}$ = 600,000 – 812.87

RI Total Paid Amount Net of MOOP Adjustment $_{Subscriber\ A}$ = $599,187.13

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ B}$ = (Total Paid Amount) – (Enrollee MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ B}$ = 300,000 – 1,011.37

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ B}$ = $298,988.63

8.3.3 Apply National Parameters

Subscriber A's RI Estimate Amount:

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = $205,000 x .80

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = $164,000

Dependent B's RI Estimate Amount:

Dependent B's RI Total Paid Amount Net of MOOP Adjustment = $205,000 x .80

Dependent B's RI Total Paid Amount Net of MOOP Adjustment = $164,000

8.3.4 Calculate Issuer Reinsurance Estimate

$$\text{Issuer RI Estimated Amount} = \text{Sum of Enrollee RI Estimated Amounts}$$
$$\text{Issuer RI Estimated Amount} = \$164{,}000 + \ \$164{,}000$$
$$\text{Issuer RI Estimate Amountd} = \$328{,}000$$

Note: Example 3 assumes the issuer only has two (2) enrollees eligible for reinsurance payments.

8.4 Example 4: A Subscriber Modification Followed By an Additional Dependent Joining that Does Not Cause a Modification

The total claims paid amount has be aggregated for each enrollee, as shown below:

Figure 16: Example 4: Enrollee Total Paid Amount

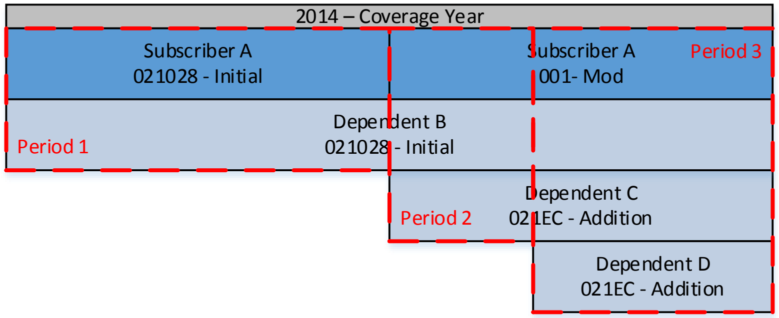
Example 4: Enrollee Total Paid Amount			
Enrollee	**Plan**	**Dates**	**Total Paid Amount**
Subscriber A	12345VA001999904	1/1/2014 - 5/31/2014	$500,000.00
Subscriber A	12345VA001999904	6/1/2014 - 7/31/2014	$100,000.00
Dependent B	12345VA001999904	1/1/2014 - 5/31/2014	$400,000.00
Dependent C	12345VA001999904	6/1/2014 - 7/31/2014	$200,000.00
Dependent C	12345VA001999904	8/1/2014 - 12/31/2014	$250,000.00
Dependent D	12345VA001999904	8/1/2014 - 12/31/2014	$200,000.00

8.4.1 Identify Individual and Family CSR MOOP Adjustment Periods

Subscriber A (Period 1): 1/1/2014-5/31/2014

Subscriber A (Period 2): 6/1/2014-12/31/2014
Dependent B: 1/1/2014-12/31/2014
Dependent C: 6/1/2014-12/31/2014
Dependent D: 8/1/2014-12/31/2014

Figure 17: Period Example 4



CSR MOOP Adjustment Period 1: 1/1/2014-5/31/2014
CSR MOOP Adjustment Period 2: 6/1/2014-7/31/2014
CSR MOOP Adjustment Period 3: 8/1/2014-12/31/2014
Result: Three (3) family CSR MOOP Adjustment Periods are created. Each time a member is added, a new CSR MOOP Adjustment Period is created so that there is always a unique set of enrollees in each CSR MOOP Adjustment Period.
MOOP Consequence: There are three (3) adjustment periods, so there are three (3) CSR MOOP Adjustment calculations. All three (3) periods are family CSR MOOP Adjustments, so family MOOP Adjustment calculations are performed for each period.

Use MOOP Reference Value and Apply CSR MOOP Adjustment Logic

<u>Family CSR MOOP Adjustment Period 1:</u>

$$\text{CSR MOOP Adjustment}_{\textit{Family Period 1}} = (\text{MOOP}_{\textit{Standard Family Plan}} - \text{MOOP}_{\textit{Family CSR Plan Variant}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Period 1}} = (12{,}700 - 10{,}400) \times \frac{151}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Period 1}} = 951.51$$

Enrollees in Family Policy Adjustment for Period 1:

$$\text{CSR MOOP Adjustment}_{\textit{Enrollee}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Subscriber A Claims in the Period}}{\text{Total Claims in the Period}}$$

Subscriber A (Period 1):

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 951.51 \times \frac{500{,}000}{900{,}000}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 528.61$$

Dependent B (Period 1):

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = 951.51 \times \frac{400{,}000}{900{,}000}$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = 422.89$$

Family CSR MOOP Adjustment Period 2:

$$\text{CSR MOOP Adjustment}_{\textit{Family Policy}} = (\text{MOOP}_{\textit{Standard Family Plan}} - \text{MOOP}_{\textit{Family CSR Plan Variant}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Period 2}} = (12{,}700 - 10{,}400) \times \frac{61}{365}$$

$$\text{CSR MOOP Adjustment}_{\textit{Family Period 2}} = 384.38$$

Enrollees in Family Policy Adjustment for Period 2:

$$\text{CSR MOOP Adjustment}_{\textit{Enrollee}} = \text{CSR MOOP Adjustment}_{\textit{Family Policy}} \times \frac{\text{Total Subscriber A Claims in the Period}}{\text{Total Claims in the Period}}$$

Subscriber A (Period 2):

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 384.38 \times \frac{100{,}000}{300{,}000}$$

$$\text{CSR MOOP Adjustment}_{\textit{Subscriber A}} = 128.13$$

Dependent B (Period 2):

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = 384.38 \times \frac{0}{300{,}000}$$

$$\text{CSR MOOP Adjustment}_{\textit{Dependent B}} = 0.00$$

Dependent C (Period 2):

$$\text{CSR MOOP Adjustment}_{\,Dependent\ C} = 384.38 \times \frac{200{,}000}{300{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\ C} = 256.26$$

<u>Family CSR MOOP Adjustment Period 3:</u>

$$\text{CSR MOOP Adjustment}_{\,Family\ Policy} = (\text{MOOP}_{\,Standard\ Family\ Plan} - \text{MOOP}_{\,Family\ CSR\ Plan\ Variant}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\,Family\ Period\ 3} = (12{,}700 - 10{,}400) \times \frac{153}{365}$$

$$\text{CSR MOOP Adjustment}_{\,Family\ Period\ 3} = 964.11$$

<u>Enrollees in Family Policy Adjustment for Period 3:</u>

$$\text{CSR MOOP Adjustment}_{\,Enrollee} = \text{CSR MOOP Adjustment}_{\,Family\ Period\ 3} \times \frac{\text{Total Subscriber A Claims in the Period}}{\text{Total Claims in the Period}}$$

Subscriber A:

$$\text{CSR MOOP Adjustment}_{\,Subscriber\ A} = 964.11 \times \frac{0}{450{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Subscriber\ A} = 0.00$$

Dependent B:

$$\text{CSR MOOP Adjustment}_{\,Dependent\ B} = 964.11 \times \frac{0}{450{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\ B} = 0.00$$

Dependent C:

$$\text{CSR MOOP Adjustment}_{\,Dependent\ C} = 964.11 \times \frac{250{,}000}{450{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\ C} = 535.62$$

Dependent D:

$$\text{CSR MOOP Adjustment}_{\,Dependent\,D} = 964.11 \times \frac{200{,}000}{450{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,D} = 428.49$$

Calculate Enrollee MOOP Adjustment

An individual CSR MOOP Adjustment is calculated for each enrollee by summing CSR MOOP Adjustments allocated for each CSR MOOP Adjustment Period:

Subscriber A:

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = 528.61 + 128.13 + 0$$

$$\text{CSR MOOP Adjustment}_{\,Subscriber\,A} = 656.74$$

Dependent B:

$$\text{CSR MOOP Adjustment}_{\,Dependent\,B} = 422.89 + 0 + 0$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,B} = 422.89$$

Dependent C:

$$\text{CSR MOOP Adjustment}_{\,Dependent\,C\,=}\; 256.26 + 535.62$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,C\,=}\; 791.88$$

Dependent D:

$$\text{CSR MOOP Adjustment}_{\,Dependent\,D} = 428.49$$

$$\text{CSR MOOP Adjustment}_{\,Dependent\,D} = 428.49$$

8.4.2 Calculate RI Eligible Total Paid Amount

RI Total Paid Amount Net of MOOP Adjustment $_{Subscriber\ A}$ = (Total Paid Amount) – (Enrollee MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment $_{Subscriber\ A}$ = 600,000 – 656.74

RI Total Paid Amount Net of MOOP Adjustment $_{Subscriber\ A}$ = $599,343.26

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ B}$ = (Total Paid Amount) – (Enrollee MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ B}$ = 400,000 – 422.89

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ B}$ = \$399,577.11

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ C}$ = (Total Paid Amount) – (Enrollee MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ C}$ = 450,000 – 791.88

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ C}$ = \$449,208.12

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ D}$ = (Total Paid Amount) – (Enrollee MOOP Adjustment)

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ D}$ = 200,000 – 428.49

RI Total Paid Amount Net of MOOP Adjustment $_{Dependent\ D}$ = \$199,571.51

8.4.3 Apply National Parameters

Subscriber A’s RI Estimated Amount:

Subscriber A’s RI Total Paid Amount Net of MOOP Adjustment = \$205,000 x .80

Subscriber A’s RI Total Paid Amount Net of MOOP Adjustment = \$164,000

Dependent B’s RI Estimated Amount:

Dependent B’s RI Total Paid Amount Net of MOOP Adjustment = \$205,000 x .80

Dependent B’s RI Total Paid Amount Net of MOOP Adjustment = \$164,000

Dependent C’s RI Estimated Amount:

Dependent C’s RI Total Paid Amount Net of MOOP Adjustment = \$205,000 x .80

Dependent C’s RI Total Paid Amount Net of MOOP Adjustment = \$164,000

Dependent D’s RI Estimated Amount:

Dependent D’s RI Total Paid Amount Net of MOOP Adjustment = (\$199,571.51 – \$45,000) x .80

Dependent D’s RI Total Paid Amount Net of MOOP Adjustment = \$123,657.21

8.4.4 Calculate Issuer Reinsurance Estimate

$$\text{Issuer RI Estimated Amount} = \text{Sum of Enrollee RI Estimated Amounts}$$
$$\text{Issuer RI Estimated Amount} = 164{,}000 + 164{,}000 + 164{,}000 + 123{,}657.21$$
$$\text{Issuer RI Estimated Amount} = \$615{,}657.21$$

Note: Example 4 assumes the issuer only has four (4) enrollees eligible for reinsurance payments.

8.5 Example 5: Dependents Are Removed and Added on Consecutive Days

The total claims paid amount has be aggregated for each enrollee, as shown below:

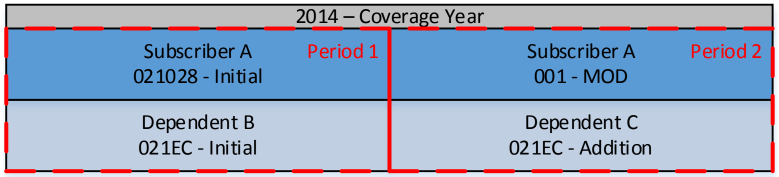
Figure 18: Example 5: Enrollee Total Paid Amount

Example 5: Enrollee Total Paid Amount			
Enrollee	**Plan**	**Dates**	**Total Paid Amount**
Subscriber A	12345VA001999904	1/1/2014 - 5/31/2014	$150,000.00
Subscriber A	12345VA001999904	6/1/2014 - 12/31/2014	$80,000.00
Dependent B	12345VA001999904	1/1/2014 - 5/31/2014	$0.00
Dependent C	12345VA001999904	6/1/2014 - 12/31/2014	$300,000.00

8.5.1 Identify Family CSR MOOP Adjustment Periods

Subscriber A: 1/1/2014-12/31/2014
Dependent B: 1/1/2014-5/31/2014
Dependent C: 6/1/2014-12/31/2014

Figure 19: Period Example 5



CSR MOOP Adjustment Period 1: 1/1/2014-5/31/2014
CSR MOOP Adjustment Period 2: 6/1/2014-12/31/2014
Result: Two (2) family CSR MOOP Adjustment periods are created. Even though the number of members is constant throughout the year, a new adjustment period is created when any dependent is added or removed.

MOOP Consequence: There are two (2) CSR MOOP Adjustment Periods, so there are two (2) CSR MOOP Adjustment calculations. Both periods are family adjustment periods, so family CSR MOOP Adjustment calculations are performed for each period.

Use MOOP Reference Value and Apply CSR MOOP Adjustment Logic

Family CSR MOOP Adjustment Period1:

$$\text{CSR MOOP Adjustment}_{\,\textit{Family Policy}} = (\text{MOOP}_{\,\textit{Standard Family Plan}} - \text{MOOP}_{\,\textit{Family CSR Plan Variant}}) \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\,\textit{Family Policy Period 1}} = (12{,}700 - 10{,}400) \times \frac{151}{365}$$

$$\text{CSR MOOP Adjustment}_{\,\textit{Family Policy Period 1}} = 951.51$$

Enrollees in Family CSR MOOP Adjustment Period 1:

$$\text{CSR MOOP Adjustment}_{\,\textit{Enrollee}} = \text{CSR MOOP Adjustment}_{\,\textit{Family Policy}} \times \frac{\text{TotalEnrollee Claims in the Period}}{\text{Total Claims in the Period}}$$

Subscriber A:

$$\text{CSR MOOP Adjustment}_{\,\textit{Subscriber A}} = 951.51 \times \frac{150{,}000}{150{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,\textit{Subscriber A}} = 951.51$$

Dependent B:

$$\text{CSR MOOP Adjustment}_{\,\textit{Dependent B}} = 951.51 \times \frac{0}{150{,}000}$$

$$\text{CSR MOOP Adjustment}_{\,\textit{Dependent B}} = 0$$

Family CSR MOOP Adjustment Period 2:

$$\text{CSR MOOP Adjustment}_{\,\textit{Family Policy}} = \textit{CSR MOOP}_{\,\textit{Family CSR Plan Variant}} \times \frac{\text{Days in the CSR MOOP Adjustment Period}}{365}$$

$$\text{CSR MOOP Adjustment}_{\,\textit{Family Policy Period 2}} = (12{,}700 - 10{,}400) \times \frac{214}{365}$$

$$\text{CSR MOOP Adjustment}_{\,\textit{Family Period 2}} = 1{,}348.49$$

Enrollees in Family CSR MOOP Adjustment Period 2:

$$\text{CSR MOOP Adjustment}_{\text{Enrollee}} = \text{CSR MOOP Adjustment}_{\text{Family Period 2}} \times \frac{\text{Total Enrollee Claims in the Period}}{\text{Total Claims in the Period}}$$

Subscriber A:

$$\text{CSR MOOP Adjustment}_{\text{Subscriber A}} = 1{,}348.49 \times \frac{80{,}000}{380{,}000}$$

$$\text{CSR MOOP Adjustment}_{\text{Subscriber A}} = 283.89$$

Dependent C:

$$\text{CSR MOOP Adjustment}_{\text{Dependent C}} = 1{,}348.49 \times \frac{300{,}000}{380{,}000}$$

$$\text{CSR MOOP Adjustment}_{\text{Dependent C}} = 1{,}064.60$$

Calculate Enrollee MOOP Adjustment

An individual CSR MOOP Adjustment is calculated for each enrollee by summing the CSR MOOP Adjustment for each individual CSR Adjustment Period:

Subscriber A has two (2) CSR MOOP Adjustment Periods, so:

$$\text{CSR MOOP Adjustment}_{\text{Subscriber A}} = 951.51 + 283.89$$

$$\text{CSR MOOP Adjustment}_{\text{Subscriber A}} = 951.51 + 283.89$$

$$\text{CSR MOOP Adjustment}_{\text{Subscriber A}} = 1{,}235.40$$

Dependent B and C only have one (1) CSR MOOP Adjustment Period each, so:

$$\text{CSR MOOP Adjustment}_{\text{Dependent B}} = 0$$

$$\text{CSR MOOP Adjustment}_{\text{Dependent C}} = 1{,}064.60$$

8.5.2 Calculate RI Eligible Total Paid Amount

RI Total Paid Amount Net of MOOP Adjustment = (Total Paid Amount) – (Enrollee CSR MOOP Adjustment)

Subscriber A: Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = 230,000 – 1,235.40

Subscriber A's RI Total Paid Amount Net of MOOP Adjustment = $228,764.60

Dependent B: Dependent B’s RI Total Paid Amount Net of MOOP Adjustment = 0 – 0

Dependent B’s RI Total Paid Amount Net of MOOP Adjustment = $0

Dependent C: Dependent C’s RI Total Paid Amount Net of MOOP Adjustment = 300,000 – 1,064.60

Dependent C’s RI Total Paid Amount Net of MOOP Adjustment = $298,935.40

8.5.3 Apply National Parameters

$$\text{Reinsurance Payment} = (\text{RI Total Paid Amount Net of MOOP Adjustment - \$45,000}) \text{ x .80}$$

Enrollee A’s RI Estimated Amount:

Subscriber A’s RI Total Paid Amount Net of MOOP Adjustment = (228,764.60 – 45,000) x .80

Subscriber A’s RI Total Paid Amount Net of MOOP Adjustment = $147,011.68

Dependent B’s RI Estimated Amount: $0

Dependent C’s RI Estimated Amount:

Dependent C’s RI Total Paid Amount Net of MOOP Adjustment = 205,000 x .80

Dependent C’s RI Total Paid Amount Net of MOOP Adjustment = $164,000

8.5.4 Calculate Issuer Reinsurance Estimate

$$\text{Issuer RI Estimated Amount} = \text{Sum of Enrollee RI Estimated Amount}$$

Issuer RI Estimated Amount = 147,011.68 + 0 + 164,000

Issuer RI Estimated Amount = $311,011.68

Note: Example 5 assumes the issuer only has four (4) enrollees eligible for reinsurance payments.