

New Inbound 834 AMRCs

- CMS has developed new cancel and term codes to help issuers comply with legal requirements that prohibit issuing policies that violate the Anti-duplication Provision of the Social Security Act, or enrollments that are outside a plan's licensed service area.
- The new codes help CMS identify the reason for the cancellations and/or terminations, and will be used to improve the consumer experience and to reduce processing for issuers and CMS
- CMS is adding 3 new Additional Maintenance Reason Codes (AMRC) for Inbound 834 (IC834) transactions with the FFE which will become available for issuers to use beginning June 1, 2018.
- For IC834 to the FFM, issuers should apply these new AMRCs:
 1. **CANCEL-ANTIDUPLICATION:** To cancel a policy when an issuer receives an Initial 834 enrollment (I834) for a consumer the issuer knows is currently enrolled in Medicare, and issuing QHP coverage would duplicate their benefits
 2. **TERM-ANTIDUPLICATION:** To send a termination effective 12/31 near the end of a plan year (no sooner than early October) so that an enrollee is non-renewed to comply with Anti-duplication.
 3. **CANCEL-OUT-OF-AREA:** To cancel a policy before effectuation when an issuer receives an Initial 834 enrollment (I834) for a consumer who resides outside of the plan's coverage area.

IC834 Code Combinations

- The following code combinations on an IC834 will identify the transaction as ***Anti-duplication*** or ***Out-of-Area***.

Maintenance Type Code (INS03)	Maintenance Reason Code (INS04)	Additional Maintenance Reason Code (2750 Loop)
024	<i>Null*</i>	TERM-ANTIDUPLICATION <i>or</i> CANCEL-ANTIDUPLICATION <i>or</i> CANCEL-OUT-OF-AREA

TERM-ANTIDUPLICATION Policy

- **TERM-ANTIDUPLICATION** is only valid for non-renewals at the end of the plan year (term effective date=12/31) where renewing coverage would violate anti-duplication because it changes the contract of insurance. In order to prevent the policy from being BARed, and also in an attempt to not disrupt the cancel carry forward process, issuers should utilize this no earlier than early October. If an issuer is not able, or does not desire to send TERM-ANTIDUPLICATION, they can cancel the new enrollment (if received) by using the CANCEL-ANTIDUPLICATION AMRC.

*If an issuer realizes after effectuating a policy that an enrollee has Medicare coverage, guaranteed renewal requirements at 45 CFR 147.106 generally require that coverage be continued until 12/31 of the new plan year. The issuer may not terminate the policy mid-year, but should instead wait to send an IC834 transaction using the AMRC of TERM-ANTIDUPLICATION no sooner than early October. Transactions received before October 10 will prevent auto-renewal; after October 10, it will trigger auto-renewed policies to be canceled later.

TERM-ANTIDUPLICATION Policy

- In addition to sending the FFE a term or cancel, QHP issuers also must send a termination notice, pursuant to 45 CFR 156.270(b) and 45 CFR 155.430(b)(2)(i), to any enrollees whose coverage has been non-renewed due to an enrollee in the enrollment group being a Medicare beneficiary.
- The termination notice should advise mixed-eligibility enrollees to return to the FFE, and make the Medicare-enrollee a non-applicant. If enrollees not in Medicare need QHP coverage, the FFE will use the terms or cancels to flag enrollees for SEPs at the FFE Call Center.

TERM-ANTIDUPLICATION Scenario

- On January 1, 2018, Bill begins coverage in an Exchange QHP. However, prior to enrolling in an Exchange QHP, Bill was already enrolled in Medicare coverage, which is still active. As a result, he is enrolled in both an Exchange QHP, and Medicare, which duplicates coverage.
- In June, the issuer providing QHP coverage for Bill gains knowledge he is dually enrolled. However, guaranteed renewal requirements documented at 45 CFR 147.106 require that Bill be provided continuous coverage by the QHP issuer until 12/31/18.
- The issuer **may not** terminate Bill's coverage mid-year absent an exception to guaranteed renewal. Instead, the issuer should wait until no earlier than early October to send an IC834 with the AMRC of TERM-ANTIDUPLICATION effective 12/31/18 to the FFE in order to prevent renewal of Bill's QHP coverage for Plan Year 2019.

CANCEL-ANTIDUPLICATION Policy

- **CANCEL-ANTIDUPLICATION** is only valid when an issuer receives an initial enrollment (I834) transaction for duplicative Exchange coverage from the FFE for a member whom the issuer knows to be currently enrolled in Medicare, and effectuating the enrollment would duplicate coverage, and violate the Anti-Duplication provision of the Social Security Act.
- Initial enrollments received inside and outside of Open Enrollment may be canceled prior to effectuation using this code if issuing (or renewing) Marketplace coverage violates Anti-duplication.

CANCEL-ANTIDUPLICATION Scenario #1

- On December 12, 2018, an issuer receives (passive reenrollment, active reenrollment, or initial enrollment) for a QHP with an effective date of January 1, 2019, for a member who the issuer has knowledge of being currently enrolled in Medicare.
 - Active or passive reenrollments that maintain the same contract of insurance might not violate Anti-duplication (issuers should consult their compliance departments on what constitutes a change in contract)
- If issuing coverage violates Anti-duplication, the issuer must send an IC834 cancelation to the FFE by using the CANCEL-ANTIDUPLICATION AMRC in order to avoid issuing a policy which would result in the consumer being dually enrolled in a QHP and Medicare.

CANCEL-ANTIDUPLICATION Scenario #2

- On July 7, 2018, an issuer receives an I834 for a new member with a SEP with a begin date of August 1, 2018. The issuer determines that the enrollee is currently enrolled in Medicare, and thus issuing new coverage in a QHP would violate the Anti-Duplication provision. Because the member was not previously enrolled in coverage with the issuer, the issuer may cancel the enrollment by sending an IC834 with the AMRC of CANCEL-ANTIDUPLICATION.
- Additionally, the issuer should send the consumer a cancelation notice informing them of why the enrollment has been canceled.

CANCEL-OUT-OF-AREA Policy

- **CANCEL-OUT-OF-AREA** must only be used prior to a policy's effectuation and start date.
- The FFM does not send out-of-area enrollments by design, but in rare instances where a consumer in a zip code that spans multiple counties misidentifies their resident county, some out-of-area enrollments are sent, and may be canceled by the issuer.
- If an issuer believes an enrollee has moved out-of-area after effectuation, the issuer should advise the enrollee to report the change to the Marketplace, but should not terminate coverage until a transaction is received from the exchange.

CANCEL-OUT-OF-AREA Scenario

- On December 6, 2018, an issuer receives initial enrollment information (I834) from the FFE for a new member with a start date of 1/1/19. While reviewing the member's information, the issuer notices that while the zip code on the 834 is a valid coverage area for the plan, the county which is reflected is not.
- The plan's coverage area is outside of the county listed by the member, and therefore the enrollment is not valid. The issuer sends a cancellation to the FFE using the AMRC CANCEL-OUT-OF-AREA.
- Additionally, the issuer sends a cancellation notice to the consumer explaining the reason the enrollment was canceled.

Additional Policy Notes

- The addition of specific term/cancel codes for Medicare Anti-duplication and Out-of-Area enrollments replace other Enrollment Data Alignment channels:
 - Issuers should not use IC834 “TERM-OTH,” or “CANCEL-OTH” for coverage that is ending or not being issued because of Medicare Anti-duplication or because the enrollment is outside of the issuer’s service area
 - Every attempt should be made to end coverage for Medicare Anti-duplication or out-of-area enrollments via IC834 prior to those enrollments being submitted as cancelled or terminated on an RCNI file. If the update is made via reconciliation rather than IC834, the proper term/cancel reason will not be captured which will cause issues for these consumers and their households if they require any follow-up for SEPs on the Exchange.
 - There is no need for a separate Medicare non-renewal submission to ER&R for OE 2019 non-renewals
 - TERM-ANTIDUPLICATION transactions received before October 10 will prevent auto-renewal; after October 10, it will trigger auto-renewed policies to be canceled later
 - The AMRCs of TERM-ANTIDUPLICATION, CANCEL-ANTIDUPLICATION, and CANCEL-OUT-OF-AREA are eligible for reinstatement using IC834