

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



Date: November 13, 2017

FAQ on Cessation of Payment of Cost-sharing Reductions

Question: How will CMS operationalize discontinuation of advance cost-sharing reduction (CSR) payments?

Answer: For the October monthly payment cycle and beyond, CMS will not make advance CSR payments, and will not make any adjustments to CSR payment amounts related to retroactive enrollment data changes for prior months of 2017, unless Congress appropriates funding for these payments. Issuers will therefore receive no net payment of 2017 advance CSR in the October and future payment cycles.

Question: How will CSR transactions be displayed on issuers' October payment reports?

Answer: Issuers will see detailed advance CSR payments appear as in prior months on their payment reports. Issuers in Federally-facilitated Exchange (FFE) states paid through policy-based payments (PBP) will see policy-level detail showing CSR payments, and issuers in states paid through manual workbooks will see issuer-level CSR payments as in prior months. Payment reports for all issuers will also show a lump-sum issuer-level manual adjustment that reverses the total net advance CSR payment.

Question: How will payments and charges from reconciliation of cost-sharing reductions be treated?

Answer: CSR reconciliation payments for the 2016 benefit year and prior year restatements previously scheduled for the October 2017 payment cycle or future cycles, including any payments calculated as the result of reported discrepancies, will not be made. However, if a discrepancy results in an overpayment to the issuer, CMS will proceed with the collection of those charges after the issuer has been notified of CMS's discrepancy decision.

Question: How will advance CSR amounts be reflected in enrollment reporting from CMS, including 834s, pre-audit file, and RCNO files?

Answer: CMS is not making any changes to CSR data in the Federally-Facilitated Exchange (FFE) database at this time as a result of this change. 834s, pre-audit, and RCNO files will continue to show CSR amounts for all coverage years, including for 2018 BAR/alternate enrollment and 2018 active enrollments. Issuers should continue to populate their RCNI files for all coverage years with CSR amounts. CSR payments to issuers will be netted out using issuer-level manual adjustments as described above to prevent payment. CMS will notify SBEs in advance of any changes to these files or processes.

Question: Should issuers continue to submit payment or enrollment disputes of advance CSR amounts?

Answer: To avoid operational disruption, CMS is not making any changes to its dispute processing at this time as a result of this change. Issuers may continue to dispute advance CSR calculated amounts for 2017 and CMS will process these disputes as before. However, CMS does not have the authority to make any further cost-sharing reduction reconciliation payments as a result of reported discrepancies or appeals, so that any resulting changes to the FFE enrollment data will not impact CSR payment. CMS will notify SBEs in advance of any changes to this process.

Question: Will this change affect PROD-R reports distributed to State-Based Exchanges (SBEs) and their issuers preparing for the policy-based payments transition?

Answer: No. PROD-R EPS extracts and PPRs distributed to SBEs and their issuers will show CSR payments as usual in October. CMS will notify SBEs in advance of any changes to PROD-R data or reporting.

Question: Should SBEs still calculate and send the advance CSR amount to CMS via the SBMI?

Answer: Yes, SBEs should continue to calculate and send the policy level advance CSR amounts and provide them to CMS on the SBMI until further notice.

Question: Should SBEs or SBE issuers still submit the advance CSR amounts on the manual payment workbooks?

Answer: Yes, SBEs or SBE issuers should continue to submit the program level advance CSR amounts on the manual payment workbooks until further notice.