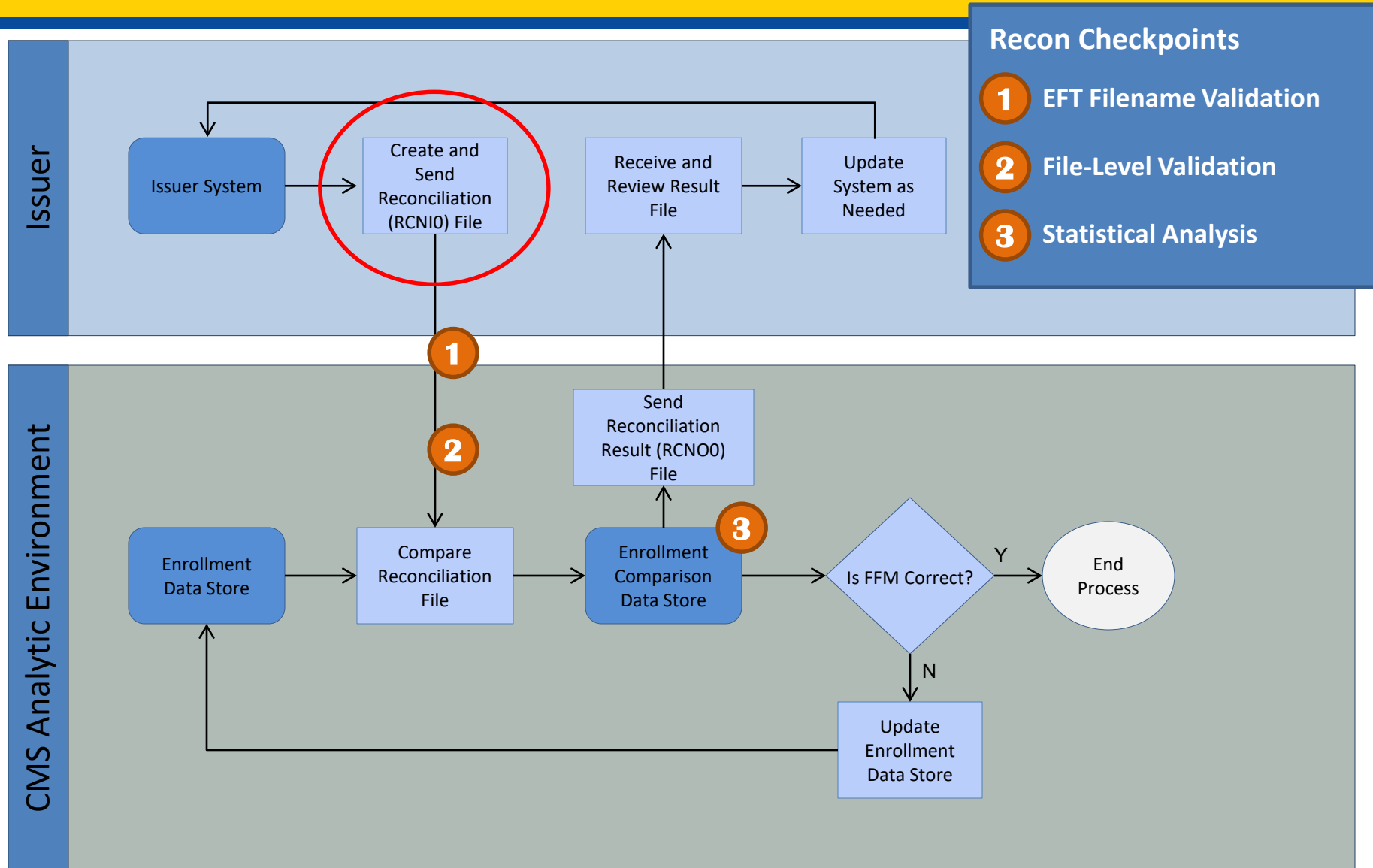


Recon 201: Inbound Reconciliation File Creation

- 
- ✓ *Inbound Recon Files*
 - ✓ *Sample Inbound Records*
 - ✓ *File-Level Validation*

October 2, 2019

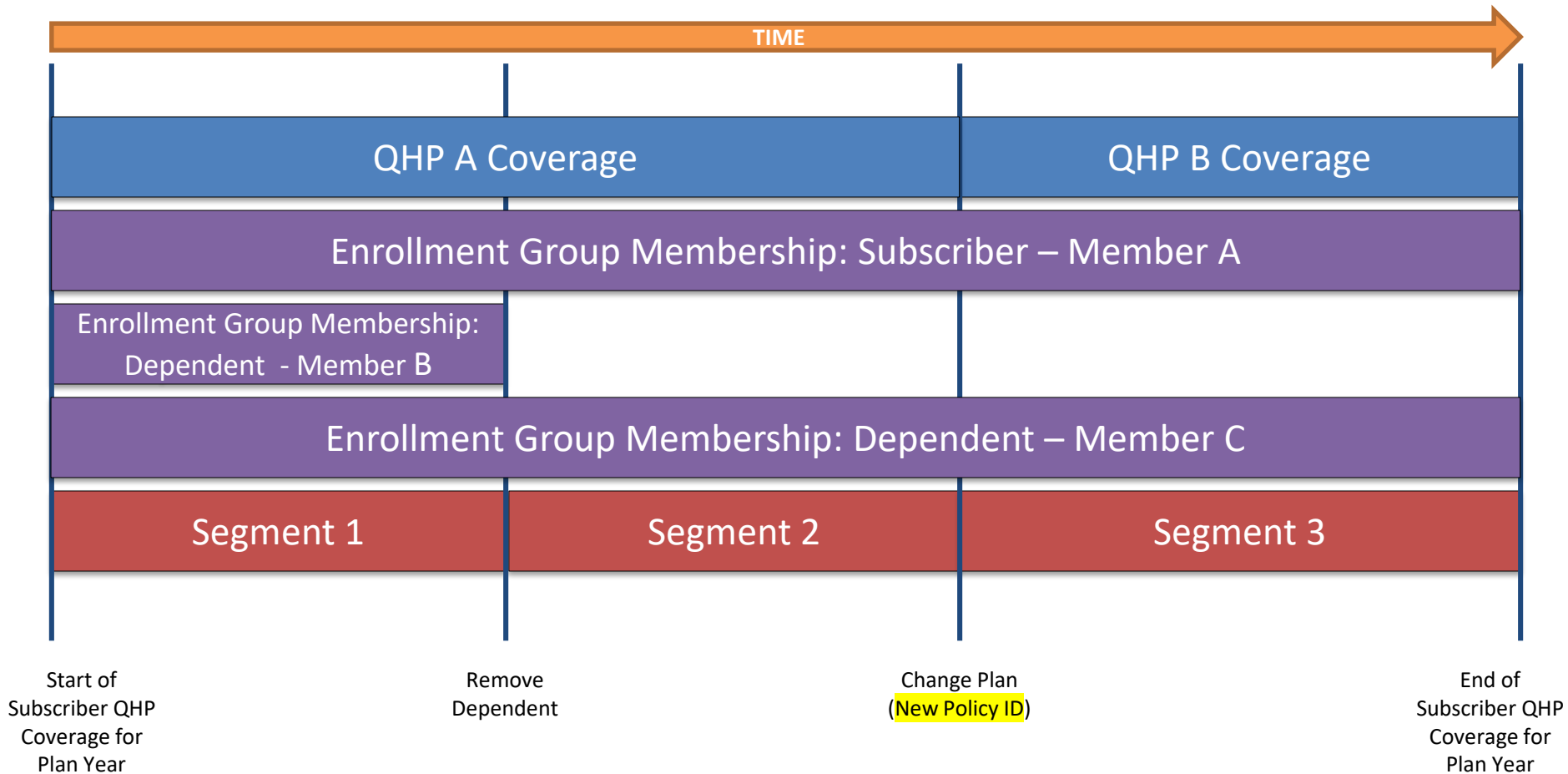
High-Level Reconciliation Approach



Enrollment Reconciliation File Fundamentals

- It is important to understand that Enrollment Reconciliation is **not transactional**; reconciliation is conducted by comparing enrollment data sets *at rest*, rather than a comparison of the transaction history for a given enrollment
- Each enrollment record on the Inbound Enrollment Reconciliation (RCNI) File represents a **single individual member** associated with a **single policy segment**
 - For each policy an Issuer has in their system for a given plan year, one record should be generated *per policy segment, per member*

Example 2020 QHP Policy w/Changes Throughout the Year



Policy and Segment Relationship

Application 12345

Policy 123

Subscriber: Member A

QHP ID: 12345TX0010001

Status: Active/Effectuated

Policy 145

Subscriber: Member A

QHP ID: 12345TX0020005

Status: Active/Effectuated

Segment 234

Start Date: 1/1/2020

End Date: 3/31/2020

CSR Variant: 01

Total Premium Amount:
\$1200

APTC Amount: \$800

Dependent B

Dependent C

Segment 345

Start Date: 4/1/2020

End Date: 7/31/2020

CSR Variant: 01

Total Premium Amount:
\$900

APTC Amount: \$700

Dependent C

Segment 456

Start Date: 8/1/2020

End Date: 12/31/2020

CSR Variant: 01

Total Premium Amount:
\$1100

APTC Amount: \$850

Dependent C

Translating Segments to the RCNI File

- Records on RCNI:
 - Policy 123, Segment 234

Member	Exchange-Assigned Policy ID	QHP ID	Total Premium	Applied APTC	Benefit Start Date	Benefit End Date
Member A	123	12345TX001000101	\$1200	\$800	1/1/2020	3/31/2020
Dependent B	123	12345TX001000101			1/1/2019	3/31/2020
Dependent C	123	12345TX001000101			1/1/2020	3/31/2020

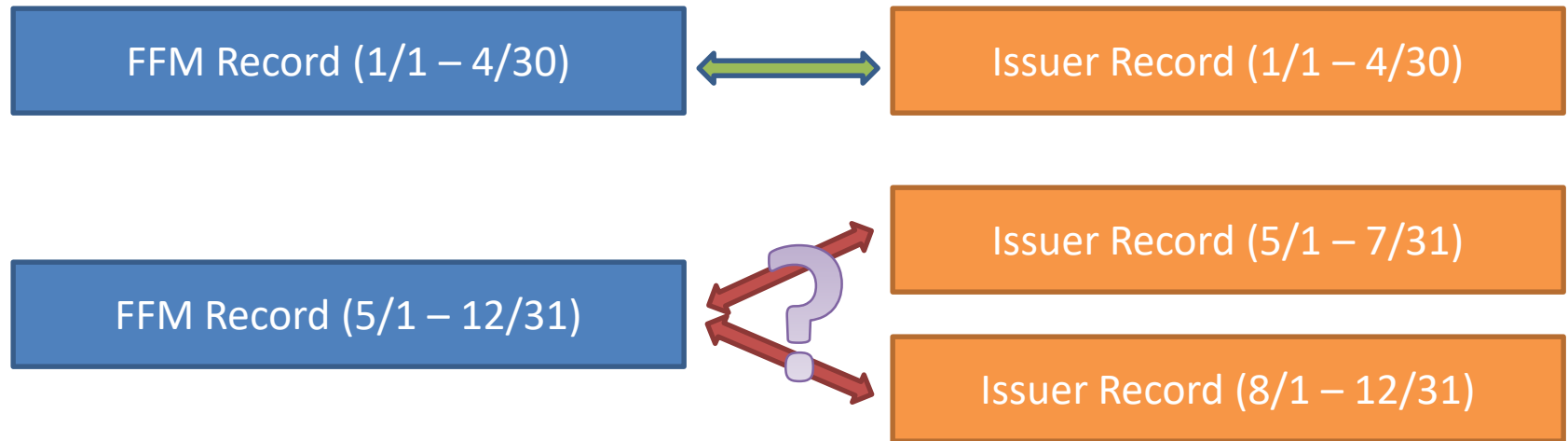
- Policy 123, Segment 345
 - Note: Dependent B has no record at all for this segment

Member	Exchange-Assigned Policy ID	QHP ID	Total Premium	Applied APTC	Benefit Start Date	Benefit End Date
Member A	123	12345TX001000101	\$900	\$700	4/1/2020	7/31/2020
Dependent C	123	12345TX001000101			4/1/2020	7/31/2020

- Policy 145, Segment 456

Member	Exchange-Assigned Policy ID	QHP ID	Total Premium	Applied APTC	Benefit Start Date	Benefit End Date
Member A	456	12345TX002000501	\$1100	\$850	8/1/2020	12/31/2020
Dependent C	123	12345TX002000501			8/1/2020	12/31/2020

Importance of Record Alignment Between Issuer and FFM Data



- Where the Issuer and FFM have a different number of records for the same period of coverage, the reconciliation algorithms are unable to evenly match the records and updates cannot be made to FFM data
- Wherever possible, Issuers should work to resolve instances where their extract process generates a different number of records for a given policy than what is on the FFM side

When is a New Policy Created?

- The FFM will create a new policy any time one of the following is updated:
 - Subscriber
 - 14-Character QHP ID
 - Tobacco Status
- **Rule of Thumb:** If a change is conveyed by a CIC Cancel/Term + Initial transaction pair, a new policy has been created
- A new policy is also created any time there is a gap in coverage for the enrollment group

When is a New Segment Created?

- The FFM will create a new segment under a policy any time one of the following is updated:
 - Enrollment group composition (i.e. addition or removal of any dependents)
 - CSR Variant
 - Maximum and/or Applied APTC Amount
 - Residential Address (with change in rating)
 - Member demographics (with change in eligibility/rating)
- **Rule of Thumb:** If a change is conveyed by a M834 with a new effective date, a new segment has been created
- **Please Note:** If any of these values are changed prior to the effective date of a segment, and do not require a later effective date for the change, the segment will be “versioned” and the change applied to the existing segment (no change in Segment ID)

Enrollment Changes Requiring Additional Records on RCNI

- **Change in 14-Character QHP ID**

- Any time an enrollment group changes their product/plan selection (as indicated by the first 14 characters of the QHP ID), a new policy is created requiring an additional record on the RCNI file for each member in the enrollment group
- For example, if a member enrolls in one QHP effective January 1st, then granted a Special Enrollment Period (SEP) and switches to a new QHP effective June 1st **two distinct records** must be submitted on the inbound reconciliation file with both QHP IDs
 - The first record will have a Benefit Start Date of 1/1/2020 and a Benefit End Date of 5/31/2020 and the first QHP ID
 - The second record will have a Benefit Start Date of 6/1/2020 and a Benefit End Date of 12/31/2020 and the new QHP ID
 - Financial dates within each record should align to those start and end dates

Enrollment Changes Requiring Additional Records on RCNI

- **Change to Financials**

- When there is a change in a financial element such as Total Premium Amount, Applied APTC Amount, or CSR Level/Amount that is effective *after the effective date of the current active policy segment*, a new segment is created requiring an additional record on the RCNI file for each member in the enrollment group
- For example, if a member enrolls in QHP 55555TX001000101 effective January 1st with an Applied APTC Amount of \$350, then decides to only apply \$300 a month of APTC effective July 1st **two distinct records** must be submitted on the inbound reconciliation file
 - The first record will have start dates of 1/1/2020 and end dates of 6/30/2020
 - The second record will have start dates of 7/1/2020 and end dates of 12/31/2020
 - **All financial dates** should be aligned to these start and end dates whether there is a change to that particular financial amount or not

Enrollment Changes Requiring Additional Records on RCNI

- **Change to Enrollment Group Composition**

- Any time a member is added or removed from the enrollment group with an effective date *after the effective date of the current active policy segment*, a new segment is created requiring an additional record on the RCNI file for each member in the enrollment group
 - Dependent member records should be included only for the segment(s) for which that member had coverage under the enrollment group
 - A new segment is created even if the addition or removal of a dependent results in no change to benefit coverage for the other members of the group nor a change to financials
- For example, if a member enrolls in QHP 55555TX001000101 effective January 1st, then gets married and adds their spouse effective March 1st **two distinct records** must be submitted for the subscriber and a single record for the dependent spouse
 - The first record for the subscriber will have start dates of 1/1/2020 and end dates of 2/28/2020 – financials on this record should reflect the original amounts prior to adding the spouse
 - The second record for the subscriber will have start dates of 3/1/2020 and end dates of 12/31/2020 – financials on this record should reflect the amounts after the spouse was added
 - The spouse's record must have start dates of 3/1/2020 and end dates of 12/31/2020

Enrollment Changes Requiring Additional Records on RCNI

- **Change to Demographics**

- When demographic information changes, a new segment is created only if the change impacts the eligibility and/or rating for the enrollment group
 - A change that only impacts the demographic information of a member (such as a correction to the address with no impact to rating area or an updated phone number) ***will not result in creation of a new segment***; the change will be applied to the entire existing, active segment
- For example, if a member enrolls in QHP 55555TX001000101 effective January 1st and corrects the phone number on record effective May 15th **only one record** should be submitted on the inbound reconciliation file
 - The latest demographic information should be included on the single record and there should be no alignment of start or end dates to the date of the demographic change

Enrollment Changes Requiring Additional Records on RCNI

- **Change to Exchange-Assigned Policy ID**

- Although Exchange-Assigned Policy ID may remain consistent across many change transactions, it is possible an Issuer would receive an update as a new Initial with a new Exchange-Assigned Policy ID
 - This would typically occur in cases where a consumer uses multiple accounts that are not detected as duplicative and prevented by the FFM
- In this circumstance, a new record for each member of the enrollment group must be submitted on the RCNI file for the new policy **regardless of the nature of any other changes**
- For example, if a member enrolls in QHP 55555TX001000101 effective January 1st, then opens a new application to update their address (with no other changes) effective February 1st, **two distinct records** must be submitted on the inbound reconciliation file
 - The first record will have start dates of 1/1/2020 and end dates of 1/31/2020
 - The second record will have start dates of 2/1/2020 and end dates of 12/31/2020
 - Financial dates within each record should align to those start and end dates

M834 Reconciliation Scenario:

Dependent Removed Prior to Effective Date

- **Example Scenario:** A subscriber, spouse, and 22-year old dependent enroll in coverage effective January 1st, 2020
 - Prior to January 1st, the dependent gains employer-sponsored coverage
 - The subscriber returns to the marketplace to remove the dependent from the policy
 - The subscriber makes no changes to the enrollment for herself or her spouse

M834 Reconciliation Scenario:

Dependent Removed Prior to Effective Date

- A change to enrollment group composition is conveyed to Issuers via M834 with no change to Exchange-Assigned Policy ID
- On the Enrollment Pre-Audit File and RCNO File, ***only the segment version with the subscriber and spouse will be present***
 - **There will be no record for the dependent that was removed as never effective**
 - **Note:** This is different from CIC functionality (mid-2016 and earlier) which would cancel the Policy ID with the dependent and send a new initial enrollment with a new Policy ID for the remaining members
 - **Key Concept:** Issuers will never see individual segments that were “cancelled” due to a change prior to the effective date within the same Policy ID
 - **Key Concept:** All members within an enrollment group will have the same coverage status within the same segment
 - **Do not send a dependent with Initial Premium Paid Status “C” on an enrollment group where the Subscriber’s Initial Premium Paid Status is “Y”**

Member	Exchange-Assigned Policy ID	Trans Type Code (AUD0)	Initial Premium Paid (RNCI0/RCNO0)	Benefit Start Date	Benefit End Date
Subscriber	123456	1	Y	1/1/2020	12/31/2020
Spouse	123456	1	Y	1/1/2020	12/31/2020

M834 Reconciliation Scenario:

Financial Change Prior to Effective Date

- **Example Scenario:** A subscriber and spouse enroll in coverage effective January 1st with \$550 APTC and no CSR
 - On December 10th, the subscriber returns to the marketplace to update their financial information resulting in an increase to \$800 APTC
 - The subscriber makes no other changes to the enrollment

M834 Reconciliation Scenario:

Financial Change Prior to Effective Date

- A change to financials on an enrollment is conveyed to Issuers via M834 with no change to Exchange-Assigned Policy ID
- On the Enrollment Pre-Audit File and RCNO File, ***only the segment version with the final financial information will be present***
 - **There will be no record with the original APTC and CSR Variant**
 - **Note:** This is different from CIC functionality (mid-2016 and earlier) which would cancel the Policy ID with \$550 APTC and no CSR, and send a new initial enrollment with a new Policy ID with the updated financials
 - **Key Concept:** Issuers will never see segments that were “cancelled” due to a change prior to the effective date within the same Policy ID

Member	Exchange-Assigned Policy ID	QHP ID	Applied APTC	Benefit Start Date	Benefit End Date
Subscriber	123457	12345XX001000101	\$800	1/1/2020	12/31/2020
Spouse	123457	12345XX001000101		1/1/2020	12/31/2020

M834 Reconciliation Scenario:

Termination with Subsequent Segments

- **Example Scenario:** A subscriber enrolls in coverage effective January 1st, 2020 with \$250 APTC
 - The subscriber makes monthly premium payments through April, then stops paying
 - On May 12th, the subscriber returns to the marketplace to update his financial information resulting in a change to \$350 monthly APTC starting June 1st
 - The subscriber makes no other changes to the enrollment
 - Following expiration of the grace period, the Issuer terminates coverage back to May 31st

M834 Reconciliation Scenario:

Termination with Subsequent Segments

- As the change to APTC is conveyed to Issuers via M834 with no change to Exchange-Assigned Policy ID, there will be two segments on the FFM for this Policy ID
- Even after the termination has been applied, on the Enrollment Pre-Audit File and RCNO File, both segments will be conveyed, with their respective status:
 - The segment reflecting active coverage from January 1st through May 31st will appear as active and effectuated
 - **The segment reflecting coverage never effective starting June 1st will reflect as *cancelled***
 - **Key Concept:** Issuers will see all segments for the same Policy ID on the Pre-Audit and RCNO File regardless of status
 - **Key Concept:** Issuers may see “cancelled” segments with the same Policy ID along with active records for the same Policy ID

Member	Exchange-Assigned Policy ID	Trans Type Code (AUD0)	Initial Premium Paid (RNCI0/RCNO0)	Benefit Start Date	Benefit End Date
Subscriber	123458	1	Y	1/1/2020	5/31/2020
Subscriber	123458	3	C	6/1/2020	6/1/2020

New: Reason Codes on RCNI/RCNO

- **Cancellation Reason Code (Field 62)**
 - Issuers should include a reason code in Field 62 whenever the following conditions are true:
 - The entire policy (as defined by Exchange-Assigned Policy ID) is **cancelled** in the Issuer's enrollment system
 - The Issuer initiated the cancellation of the policy
 - Issuers may also include a Cancellation Reason Code when the cancellation was initiated on the FFM
 - Issuers **should not** populate the Cancellation Reason Code if any of the following is true:
 - The Initial Premium Paid Indicator value submitted is either Y or N
 - There is any period of effectuated coverage associated with that Exchange-Assigned Policy ID
 - The coverage represented by the record is a reinstatement of previously cancelled coverage
 - If a cancelled policy has more than one segment, **all segments** submitted on the RCNI File should have the Cancellation Reason Code populated

New: Reason Codes on RCNI/RCNO

- **Termination Reason Code (Field 63)**
 - Issuers should include a reason code in Field 63 whenever the following conditions are true:
 - The policy (as defined by Exchange-Assigned Policy ID) is **terminated** in the Issuer's enrollment system
 - The Issuer initiated the termination of the policy
 - Issuers may also include a Termination Reason Code when the termination was initiated on the FFM
 - The segment is the **final segment representing effectuated coverage** from the Issuer's perspective
 - Issuers may also include a Termination Reason Code on other segments for the same Exchange-Assigned Policy ID of the termination policy
 - Issuers **should not** populate the Termination Reason Code if any of the following is true:
 - The entire policy is **cancelled** in the Issuer's enrollment system
 - The policy represents active, open-ended coverage (even if this coverage had previously been terminated)

New: Reason Codes on RCNI/RCNO

- RCNI Reason Codes Example
 - Example: Kate enrolled effective 1/1/2020 and did not make an initial binder payment; while still active/uneffectuated on the FFM, Kate updated her income resulting in a different APTC calculation effective 1/5/2020
 - Kate never made binder payment and her enrollment was cancelled by the Issuer on 1/20

Member	Benefit Start Date	Benefit End Date	Exchange-Assigned Policy ID	Applied APTC Amount	Initial Prm Paid Indicator	Cancellation Reason	Termination Reason
Kate	1/1/2020	1/1/2020	10001	\$250	C	6	
Kate	1/5/2020	1/5/2020	10001	\$280	C	6	

New: Reason Codes on RCNI/RCNO

- RCNI Reason Codes Example
 - Example: Jane enrolled effective 1/1/2020 and effectuated coverage in QHP C; Jane got married to Jake and added him to her enrollment group effective 4/1/2020 while switching coverage to QHP D
 - Jane and Jake remain in coverage in good standing throughout 2020

Member	Benefit Start Date	Benefit End Date	Exchange-Assigned Policy ID	QHP ID	Initial Prm Paid Indicator	Cancellation Reason	Termination Reason
Jane	1/1/2020	3/31/2020	34567	QHP C	Y		3 (Optional)
Jane	4/1/2020	12/31/2020	45678	QHP D	Y		
Jake	4/1/2020	12/31/2020	45678	QHP D	Y		

New: Reason Codes on RCNI/RCNO

- RCNI Reason Codes Example
 - Example: John enrolled effective 1/1/2020 and effectuated coverage in QHP A; John updated his financial eligibility leading to a new Applied APTC Amount effective 3/1/2020; John moved and enrolled in QHP B with the same Issuer effective 5/1/2020
 - John did not pay for any coverage after March
 - After honoring the grace period the Issuer terminates John's coverage effective 4/30/2020
 - Because John enrolled in a new QHP effective 5/1, that resulted in a new policy which must also be cancelled

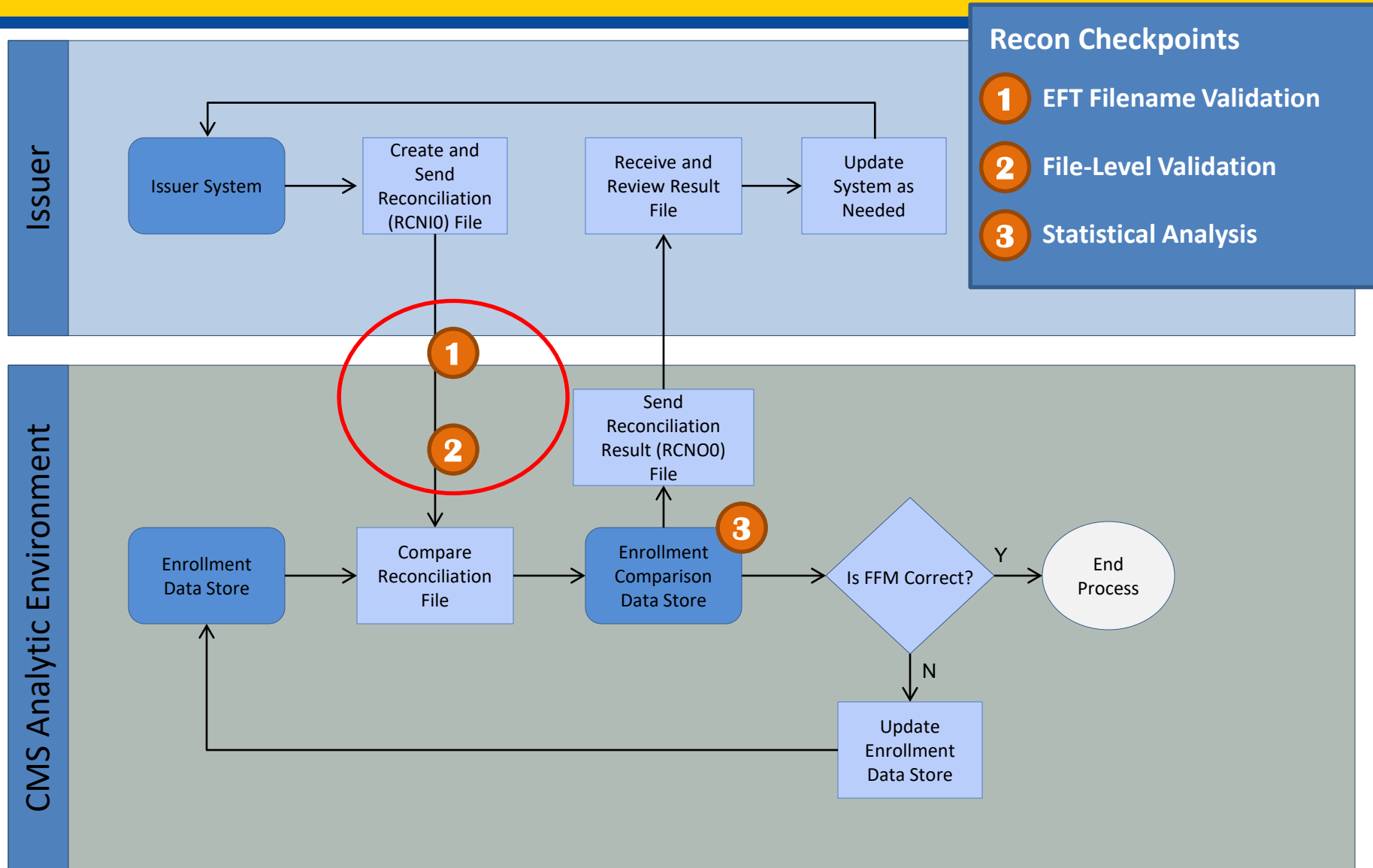
Benefit Start Date	Benefit End Date	Exchange-Assigned Policy ID	Applied APTC	QHP ID	Initial Prm Paid Indicator	Cancellation Reason	Termination Reason
1/1/2020	2/28/2020	12345	\$250	QHP A	Y		
3/1/2020	4/30/2020	12345	\$300	QHP A	Y		6
5/1/2020	5/1/2020	23456	\$300	QHP B	C	6	

New: Reason Codes on RCNI/RCNO

- RCNI Reason Codes Example
 - Example: Andy enrolled effective 1/1/2020 and effectuated coverage in QHP A; Andy updated his financial eligibility leading to a new Applied APTC Amount effective 3/1/2020; Andy moved which impacted his rating but stayed in QHP A effective 5/1/2020
 - Andy did not pay for any coverage after March
 - After honoring the grace period the Issuer terminates Andy's coverage effective 4/30/2020
 - As Andy stayed in the same policy with the change effective 5/1, at the policy level there is only a termination needed to end all coverage

Benefit Start Date	Benefit End Date	Exchange-Assigned Policy ID	Applied APTC	QHP ID	Initial Prm Paid Indicator	Cancellation Reason	Termination Reason
1/1/2020	2/28/2020	16789	\$250	QHP A	Y		
3/1/2020	4/30/2020	16789	\$300	QHP A	Y		6
5/1/2020	5/1/2020	16789	\$310	QHP A	C		

High-Level Reconciliation Approach



Reconciliation Process Checkpoints

- **EFT Filename Validation**

- The CMS EFT process will validate the filename submitted on the reconciliation file and route the file accordingly
- If the filename is not compliant the file will be rejected; the rejection will be placed in the Outbound Error EFT folder
 - Naming Convention: **[TPID].RCR.RCNI0.DYYMMDD.THHMMSSmmm.P.IN**
- *If the filename submitted duplicates a prior filename, the file will not be processed*

- **Initial File-Level Validation**

- Upon successful receipt of the file, CMS will perform initial file-level validation
- Validation criteria are included later in this presentation
- Files that pass this validation will be staged for reconciliation processing – a success acknowledgment e-mail will be sent to the Issuer's designated contacts
- Files that fail this validation will not be processed further; a replacement file must be sent – a failure notification e-mail with details on the error(s) encountered will be sent to the Issuer's designated contacts

Inbound File-Level Validations

- Issues Causing File Rejection:
 - File unreadable
 - File does not contain both 01 and 02 Record Type
 - 01 or 02 Records do not have the correct number of fields per the specification
 - Null values in administrative fields:
 - Record Code
 - Trading Partner ID
 - Tenant ID
 - HIOS ID
 - QHP ID Lookup Key
 - Issuer Extract Date
 - Issuer Extract Time
 - Invalid QHP ID Lookup Key to Trading Partner ID relationship
 - HIOS ID mismatch to first 5 characters of the QHP ID
 - QHP ID does not exist in HIOS reference data
 - Counts and sums in 02 Record do not match corresponding 01 Records
 - Invalid characters received in Exchange-Assigned Member/Subscriber ID or Initial Premium Paid Status fields

Issuer to FFM Inbound File – Common Submission Errors

- **File Structure**

- All 01 and 02 records should be pipe-delimited; files received in Excel format or comma delimited will be rejected
- All 01 Detail Records and 02 Total Records must be terminated with a carriage return line feed; there is no terminating pipe delimiter on the end of each record
 - Ensure that EBCDIC (hex 0d25) or ASCII (hex 0d0a) is used for the carriage return line feed; EBCDIC (hex 0d) will cause file rejection
- All records must contain all fields described in the specification for that record type; optional or unused fields should be sent with a single space and the pipe delimiter
- 02 Total Records are to be reported by HIOS ID; exactly one 02 record should appear in the file for each HIOS ID submitted in the file
- Files must only contain valid FFM QHP IDs that are associated with the Trading Partner ID for the file

2020 Prep: Updated Recon Technical Contacts Needed

Enrollment Reconciliation Technical Contacts

- Reconciliation Technical Contacts for your organization will be contacted by CMS resources in regard to any technical issues identified in Issuer-submitted Inbound Reconciliation (RCNI) Files
- Please designate a primary and secondary contact or group e-mail address to ensure any issues can be addressed in a timely fashion
- To submit the Enrollment Reconciliation Technical Contacts to CMS:
 - Send an e-mail to the Help Desk (cms_feps@cms.hhs.gov) with the subject line "RECONCILIATION – TECHNICAL CONTACTS"
 - Please include the name, e-mail address, and business telephone number for each contact provided
- ***New Issuers should submit contacts no later than Thursday, October 31st***

2020 Prep: Updated ER&R Contacts Needed

Enrollment Resolution & Reconciliation (ER&R) Contacts

- Cognosante, the Marketplace Enrollment Resolution & Reconciliation (ER&R) contractor, will be responsible for conducting analysis to resolve discrepancies between data provided by Issuers and FFM data
- As direct contact with the Issuers may often prove to be the most reliable method of resolving issues, CMS is requesting that each Issuer provide a primary and secondary contact with whom the ER&R contractor can have direct communications
- If there are distinct contacts for different lines of business within the Issuer organization, please clearly identify which contacts are appropriate for each HIOS ID and/or QHP ID
- The requested contacts are to be individuals able to assist in resolving conflicts with member information; **these individuals are more likely to be business end-users rather than EDI or IT representatives**
- To submit the Enrollment Resolution & Reconciliation Contacts to CMS:
 - Send an e-mail to the Help Desk (cms_feps@cms.hhs.gov) with the subject line "RECONCILIATION – ERR CONTACTS"
 - Please include the name, e-mail address, and business telephone number for each contact provided