

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: June 1, 2017

Subject: 15-Calendar Day Deadline to Pay Initial Invoices for Reinsurance, Risk Adjustment, and Risk Corridors Programs

To reduce burden for issuers and to simplify the collections process, CMS is modifying the invoicing process for the reinsurance, risk adjustment, and risk corridors programs. Beginning with the July 2017 payment cycle, contributing entities, issuers of reinsurance-eligible plans, issuers of risk adjustment covered plans and qualified health plan (QHP) issuers must pay Initial Invoices **within 15 calendar days from the date of the Initial Invoices**. This is a change from the existing process, as reflected in the current Initial Invoices, which provide issuers 30 days to pay from the date of the Initial Invoices. Issuers will continue to be notified of the amount due for reinsurance contributions, reinsurance overpayments, risk adjustment charges, and risk corridors charges at least 30 days before the due date of the Initial Invoice. For example, issuers of risk adjustment covered plans will be notified on June 30th of the year following the applicable benefit year and Initial Invoices for amounts due under that program would not be issued until August 10-12th.

This change eliminates the timing overlap in the current process where Initial Invoices are due at the same time CMS begins the subsequent month's netting process, pursuant to 45 C.F.R. § 156.1215. This change allows CMS to process an issuer's payments and close the outstanding invoices prior to netting in the subsequent month.