

# Issuers: Enrollment and Payment Processing



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS for MEDICARE & MEDICAID SERVICES  
Center for Consumer Information and Insurance Oversight



Health Insurance Exchange System-Wide Meeting  
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# Agenda

- Minimum Function: Enrollment
- Enrollment Reconciliation
- Financial Support Programs
  - APTC and CSR Eligibility and Enrollment
  - APTC and CSR Payments

# Minimum Function: Enrollment

## QHP Selection

- Qualified individuals (QI) can compare plans and select a Qualified Health Plan (QHP) on the Exchange website

## Data Transmission

- The Exchange sends enrollment information in the 834 format to QHP issuers and to HHS\*

## Acknowledge and Enroll

- The QHP acknowledges receipt of enrollment information in the 999 transaction format\*\*
- QI pays initial premium
- The QHP enrolls the QI and sends confirmation

## Reconcile

- The QHP, the Exchange and HHS reconcile enrollment records each month

\*The ASC X12 form 834 transaction is the HIPAA-compliant Benefit Enrollment and Maintenance Transaction. Its purpose is to electronically transmit enrollment and dis-enrollment information between entities, for example, employers and health insurance plans.

\*\* A 999 is an automated acknowledgment that the 834 was received and processed (or not able to be processed).

# Enrollment Reconciliation

- **Final rule requires the Exchange to reconcile with QHP issuers no less than on a monthly basis.**
  - To identify and resolve any enrollment and advance payment of the premium tax credit (APTC)/Cost-Sharing Reductions (CSR) discrepancies between Exchange and QHP records
  - During initial implementation phase, reconciliation may need to happen more frequently

# APTC & Advance CSR Payments

- The Exchange simultaneously transmits enrollment information, including APTC and advance CSR amounts:
  - To the QHP issuer to effectuate coverage and implement APTCs and CSRs, and
  - To HHS to process and make monthly advance payments to QHP issuers
- The Exchange will reconcile enrollment information, including APTC and advance CSR amounts, with QHP issuers and HHS no less than on a monthly basis

# APTC & CSR Method of Payment

- In the *Actuarial Value and Cost-Sharing Reductions Bulletin* of February 24, 2012, HHS describes the intent to propose:
  - To make monthly advance CSR payments based on approved issuer estimates
  - To reconcile advance CSR payments made to actual cost-sharing reduction amounts at the end of the benefit year
- HHS also plans to make monthly APTC payments to QHP issuers
- Treasury is responsible for reconciliation of the premium tax credit

# Next Steps

- Future guidance will continue to provide information about the Exchange enrollment function, specifically pertaining to:
  - Enrollment Transactions
  - Enrollment Periods
  - Enrollment Reconciliation
  - APTC and CSR payments