Department of Health and Human Services (HHS)
Centers for Medicare & Medicaid Services (CMS)
The Center for Consumer Information and Insurance Oversight (CCIIO)

Marketplace Plan Management Group
Division of Issuer Compliance and Monitoring

2020 Plan Year Notice Review Summary Report

December 29, 2020

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1. Executive Summary

The Centers for Medicare & Medicaid Services (CMS) completed its review of Qualified Health Plan (QHP) Renewal and Discontinuance notice reviews for plans renewed or discontinued between plan year 2019 (PY 2019) and plan year 2020 (PY 2020). The review included an examination of 1,183 renewal and discontinuance notices provided by 20 QHP issuers on Federally-facilitated Exchanges (FFEs) to determine the accuracy of the form and manner of notifications as well as timeliness of notification. The review found that 16.4% of the notices reviewed included at least one missing or inaccurate element required to meet notification standards.

To verify that QHP Issuers are providing notification of a QHP renewal or discontinuance in accordance with 42 CFR §§ 147.106 and 156.1255, and all subsequently published guidance, CMS compared the form and content of the selected notification letters and any other documentation included with the notification to enrollees, to the plan and enrollment information gathered from FFE Public Use Files (PUFs), enrollment data from MIDAS, and model notice requirements published in the Issuer Standards Bulletin from July 2018 and July 2019. CMS documented if a notice letter was not provided to all applicable enrollees before open enrollment, if the correct model notice was used based on the renewal or discontinuance reason from the MIDAS enrollment file, if the content of the notice letter was complete and accurate, and if significant benefit changes between plan years were described accurately. Observations include the following 1) Missing or inaccurate premium amounts, 2) Missing or inaccurate Advance Payment of the Premium Tax Credit (APTC) amounts, 3) Missing language accessibility taglines, and 4) Missing or inaccurate benefit structure and cost structure changes.

Because QHP enrollees rely on accurate, complete, and timely notification of plan changes from year to year, these inaccuracies may pose a significant barrier for enrollees and other stakeholders to ensure access to health care is maintained.

2. Background

In accordance with the Patient Protection and Affordable Care Act (PPACA), as amended, and pursuant to 45 CFR 155.1010(a)(2) and 156.715, CMS, as administrator of the FFEs, conducts QHP issuer oversight and compliance monitoring activities in the FFEs. Oversight and monitoring helps protect enrollees by ensuring issuers maintain compliance with QHP certification standards and FFE requirements, identifying opportunities for improvement, and providing insight on where additional CMS guidance or direction is needed.

This report summarizes the results from reviews of renewal and discontinuance notices sent to enrollees in 2019 for the PY 2020 Open Enrollment Period (OEP). The sample of notices included in the review was derived from issuers of individual market QHPs in FFE states. Specifically, this report provides insights on identified areas of noncompliance and potential noncompliance with CMS regulations and guidance. The data from this review and the subsequent report will not be used for any compliance actions. Overall, the 2020 FFE notice review identifies several areas where issuers can make improvements in complying with FFE notice review standards and requirements.

3. Scope and Methods

Issuers in the Exchanges must adhere to 45 CFR § 147.106 and § 156.1255, which require issuers to send renewal and discontinuance notices, as appropriate, to their enrollees in a form and manner that complies with CMS guidance (the guidance applicable to notices for the PY 2020 OEP were the July 19, 2018 and July 30, 2019 bulletins)[1] [2]. CMS reviewed 1,183 renewal and discontinuance notices sent to enrollees in 2019 for the PY 2020 OEP. The sample was comprised of notices from 20 issuers of individual market QHPs in FFE states. CMS reviewed the notices against requirements in the following five areas:

1. **Notice Format and Content:** Did the notice comply with content and formatting requirements? Did the notice rely on other attached documents to communicate some required content?
2. **Timeliness:** Was the notice delivered to enrollees before the first day of the PY 2020 OEP?
3. **Notice Recipient:** Was the recipient identified on the notice consistent with the information included with supporting documentation and attachments?
4. **Deductible and MOOP:** When a significant change in deductibles and MOOPs occurred, were the changes communicated to enrollees in the notice or via reference to supplemental materials, such as the Summary of Benefits and Coverage (SBC)?
5. **Benefit Structure and Cost-sharing:** When a significant change in cost sharing, metal level, covered services, eligibility, plan formulary and provider network occurred, were the changes communicated to enrollees in the notice or via reference to supplemental materials, such as the SBC?

3.1 Renewal and Discontinuance Notice Reviews Approach

CMS reviews QHP renewal and discontinuance notices for compliance with applicable requirements. Under 45 CFR 147.106 and 156.1255, issuers renewing (including a renewal with modifications) or discontinuing coverage must include certain information in renewal and discontinuance notices to their enrollees.

To evaluate issuer compliance with §147.106 and §156.1255 as expanded in guidance provided by CCIIO in the July 19, 2018 and July 30, 2019 Bulletins, CMS reviewed renewal and discontinuance notices and supporting documentation that issuers of individual market QHPs participating in the FFEs provided to enrollees. The scope of the review included the following five areas, which CMS determined to be the most critical in ensuring enrollees' access to care:

1. Notice Format and Content,
2. Timeliness,
3. Notice Recipient,
4. Deductible and MOOP Changes, and

[1] https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Updtd-Standard-Renewal-Product-Discontinuation-Notices.pdf.
[2] https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Updated-Federal-Standard-Notices-and-Enforcement-Safe-Harbor-for-Discontinuation-Notices-PY2020.pdf

5. Benefit Structure and Cost-Sharing Changes[3].

CMS reviewed notices for compliance with requirements explicitly stated in regulations and CMS sub-regulatory guidance. To determine the accuracy of information provided to enrollees, and to facilitate sample selection, CMS incorporated subscriber and plan information from current plan year enrollment data as well as data from the 2020 and 2021 QHP Landscape Data Filess (LDFs) and 2021 QHP Public Use Files[4] (Plan ID Crosswalk PUF, Benefits and Cost Sharing PUF, Rate PUF).

This report provides an overview and results of the review that CMS performed on the notices sent to enrollees in 2019 for the OEP for 2020 coverage, which is referred to in this report as the PY 2020 notice review.[5]

3.2 Issuer Selection and Review Method

CMS reviewed renewal and discontinuance notices for 1,183 subscribers representing 20 issuers of individual market QHPs in the FFEs. CMS identified and categorized issuers for the PY 2020 notice review based on renewals or discontinuances of their QHPs from PY 2019 to PY 2020. From that subset of issuers, CMS selected issuers that were deemed to be at a greater risk of potential non-compliance based on a review of certification data and post-certification assessment (PCA) data. CMS selected plans using a random sample from the pool-stratified random sampling. Once the population of plans were determined, renewal notices were selected. Then a sub-sample of 119 renewal notices with significant changes to the maximum out-of-pocket, deductible cost-sharing, and benefit changes from PY 2019 to PY 2020 were identified. This process ensured diverse representation of notices regarding QHPs that were renewed or discontinued.

Issuers submitted copies of renewal and/or discontinuance notices for specified enrollees, along with all supplemental documentation. Appropriate supplemental documentation includes an SBC or other documentation describing coverage changes other than those documented in the standard notice, which accompanied the renewal and/or discontinuance notices provided to enrollees.

4. Findings

The following sections describe CMS' findings and observations in each of the five areas (see Section 3) for issuers.

4.1 Notice Format and Content

Issuers renewing coverage or discontinuing a product must provide written notice in a form and manner

[3] CMS reviewed six benefit areas: inpatient (hospital), emergency services, primary care, specialist visits, generic drugs, and preferred brand name drugs (this area is being included in the PY20 review after being excluded in the previous year.)
[4] https://www.cms.gov/CCIIO/Resources/Data-Resources/marketplace-puf
[5] For purposes of this report, CMS defines PY 2020 as the period between January 1, 2020, and December 31, 2020.

specified by CMS,[6] unless the applicable state requires use of a different notice.[7] CMS continues to consider the information listed in the September 2, 2014 Bulletin[8] and applicable changes in subsequent Issuer Standards Bulletins to be essential content that must be included as part of the standard notice template for renewal or discontinuance notices, as applicable:

- A statement that the coverage is being discontinued;
- Information about premiums and APTC in the next policy year;
- Significant changes to coverage (including, but not limited to, changes in deductibles, cost sharing, metal-level changes, covered services, eligibility, plan formulary, and provider network);[9]
- Information about other health coverage options;
- Contact information for the consumer to call with questions; and
- Other required information per 45 CFR 156.1255, including an explanation of the requirement to report changes to the FFEs in specific timeframes and channels, and changes to Cost-Sharing Reductions (CSRs).

4.1.1 CMS Review Methodology

CMS reviewed 1,183 notices to evaluate whether issuers notified enrollees of a QHP renewal or discontinuance prior to the first day of open enrollment using the updated Federal standard notices.[10] CMS reviewed whether issuers included standard information in the required fields within the applicable standard notice and whether the notices communicated required information to enrollees. CMS found a notice noncompliant[11] when information was either not contained in an appropriate field or added to the body of the notice outside of a field. Similarly, CMS considered a notice noncompliant if required fields were out of order or omitted.

4.1.2 Results

Of the 1,183 discontinuance and renewal notices reviewed, CMS found the majority of notices (99.6%) used the correct attachment and standard format, including the required elements for the plan status. See **Table 1** for a description of the findings and observations identified.

[6] As detailed in the standard notices in the July 19, 2018 and July 30, 2019 Bulletins, available at: https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Updtd-Standard-Renewal-Product-Discontinuation-Notices.pdf and https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Updated-Federal-Standard-Notices-and-Enforcement-Safe-Harbor-for-Discontinuation-Notices-PY2020.pdf

[7] No issuers operating in a state with different notice requirements were included in this review.

[8] Available at https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Renewal-Notices-9-3-14-FINAL.pdf

[9] These items may be described in supplemental materials enclosed with the notice.

[10] The plan's status determines which Federal standard notice the issuer should use, per the July 30, 2019 Bulletin.

[11] "Noncompliant" determinations are for the purposes of tabulating results for this report and not for taking any compliance action.

Table 1. Notice Format and Content Findings and Observations

Type	Results
Notice Format and Attachment Type	▪ Issuers consistently used the correct notice templates per guidance published on July 19, 2018. Fewer issuers used the attachments provided in the July 30, 2019 guidance. ▪ Most issuers are providing a cover letter to introduce the renewal or discontinuance scenario consistent with the reason for change in FFE enrollment data.
Notice Content	▪ Generally, issuers are providing language assistance taglines as an attached document. However, one issuer was not able to provide evidence that language accessibility information was provided with its renewal notices. ▪ Although most issuers provided the current PY premium and APTC amount when applicable, one issuer did not provide the correct APTC amount on over half of its notices. ▪ One issuer did not provide the correct premium amount on all of its selected notices for members receiving APTC.

The results of the notice format and content review did not change significantly between plan years, with 99.6% of notices in PY 2020 using the appropriate model notice that included required content compared to 94% in PY 2019.

4.2 Timeliness

Issuers must provide written notices to enrollees in a timely manner. For renewal notices, "timely" means issuers provided notices to enrollees before the first day of the OEP.[12]

4.2.1 CMS Review Methodology

To test issuer compliance with these requirements, CMS reviewed documentation submitted by issuers including logs identifying when the issuers generated and mailed renewal and discontinuance notices for coverage offered through the FFEs. Where a log was not available, the date on the notice or cover letter was used as the basis for evaluation. CMS considered renewal and discontinuance notices compliant if issuers sent them before the PY 2020 OEP began on November 1, 2019.

4.2.2 Results

Results showed that issuers sent notices in advance of the PY 2020 OEP 99.6% of the time. See **Table 2** for a description of the findings and observations identified.

[12] CMS stated it would not take enforcement action against issuers that sent discontinuance notices in the same timeframe as renewal notices (before the OEP) and encouraged state regulatory authorities to provide similar flexibility. See the July 30, 2019 Bulletin at https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Updated-Federal-Standard-Notices-and-Enforcement-Safe-Harbor-for-Discontinuation-Notices-PY2020.pdf.

Table 2: Notice Timeliness Findings and Observations

Type	Results
Timeliness	▪ Nearly all issuers provided renewal and discontinuation notices to subscribers in September and October prior to the first day of PY 2020 open enrollment. ▪ Issuers that could not produce their respective discontinuance or renewal notices were recorded as noncompliant.

The results of notice timeliness improved between plan years with over 99.0% of notices provided prior to the first day of open enrollment in PY 2020 compared to 88.0% in PY 2019. The PY 2019 error rate was primarily driven by one issuer.

4.3 Notice Recipient

Per CMS guidance, each renewal and discontinuance notice is to contain the recipient's name and complete address.[13]

4.3.1 CMS Review Methodology

To evaluate compliance, CMS reviewed whether the notice included a recipient, that the name was clearly indicated and consistent with attachments and cover letters, and that the name was consistent with the associated enrollment file provided by CMS.

4.3.2 Results

The recipient name, which could include the subscriber or any dependents included on the current year coverage, was evaluated for 1,093 renewal notices.[14] Of the notices reviewed, 99.2%[15] included the recipient names on the notice and attachments consistent with the information within the enrollment file used to select the plan enrollment. See **Table 3** for a description of the findings and observations identified.

Table 3: Notice Recipient Findings and Observations

Type	Results
Validating Accuracy	▪ Issuers consistently provided notices to the correct subscriber name as indicated in the associated enrollment records.

The results of notice recipient accuracy did not significantly change between plan years with 99.0% of notices provided to the correct enrollee in PY 2020 compared to 100.0% in PY 2019. Variance in PY 2020 is primarily due to one issuer failing to submit adequate documentation for review on all selected notices.

4.4 MOOP and Deductible

Issuers must describe in the notice or supporting documents significant changes to coverage, including,

[13] As detailed in the bulletin dated July 30, 2019. https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Updated-Federal-Standard-Notices-and-Enforcement-Safe-Harbor-for-Discontinuation-Notices-PY2020.pdf
[14] Only the renewal notices were tested for this criteria.
[15] Five notices not received/sent were included in testing results as failures.

but not limited to, changes in deductibles and maximum out-of-pocket. CMS selected for review MOOP and deductible as critical elements for consumers to make informed decisions about coverage options, as failure to include these elements deprives consumers of important information regarding the cost of coverage.

4.4.1 CMS Review Methodology

To evaluate compliance, CMS reviewed notices affected by a change to the MOOP or deductible. Specifically, CMS evaluated whether issuers communicated the new MOOP or deductible amount, and whether the amount was accurate based on a comparison with CMS' records.

4.4.2 Results

In the PY 2020 notice review, CMS found issuers clearly communicated a change in both the deductible and MOOP about 96.6% of the time. One notice failed due to the issuer not being able to reproduce the selected renewal notification. See **Table 4** for a description of the findings and observations identified.

Table 4: Notice Deductible and MOOP Findings and Observations

Type	Results
Validating Accuracy	▪ Issuers consistently communicated the correct deductible and MOOP changes with enrollees. ▪ Deductible and MOOP amounts reported included reductions due to CSRs.
Communication	▪ Many issuers described changes to the standard individual deductible and MOOP within supplemental documentation.

The results of deductible and MOOP communication improved between plan years with almost 97.0% of changes reported within the notice or by reference to supplemental material in PY 2020 compared to 88.0% in PY 2019. This may be due to benefit changes observed in PY 2020 within the renewal notices or in supplemental documentation included with the renewal notice, and fewer by reference to a URL.

4.5 Benefit Structure and Cost-Sharing Changes

To provide notice in the form and manner that complies with CMS guidance, issuers must describe in the notice or supporting documents significant changes to coverage, including, but not limited to, changes in cost sharing, metal level, covered services, eligibility, plan formulary and provider network. CMS selected for review significant changes to benefit structure and cost-sharing.

4.5.1 CMS Review Methodology

To evaluate compliance with this requirement, CMS compared information included within each notice and any supplemental documents (such as the SBC) provided by the QHP issuer to determine if significant changes to specific benefit structure or cost-sharing were communicated. Specifically, the review included an examination of the following six benefit categories: inpatient hospital services, emergency services, primary care, specialist visits, generic drugs, and preferred brand name drugs.[16]

[16] CMS chose the six selected benefit areas as a reasonable representation of "significant changes to coverage" in the context of the July 30, 2019 Bulletin and to maintain similarity of review scope with previous PY reviews.

When a benefit structure or cost-sharing amount was included, CMS checked the amount against its records. The number and type of benefit structure and cost-sharing amount changes varied across enrollees. See **Table 5** for a description of the findings and observations identified.

4.5.2 Results

Table 5: Benefit Structure and Cost-Sharing Changes Findings and Observations

Type	Results
Validating Accuracy	▪ For renewed plans with a significant number of changes between plan years, up to 76.0% of notices included a clear description within the notice, by supplemental materials, or URL of the changes to the benefit structure. This was primarily due to one issuer that provided a link to a webpage that required enrollees to search for their SBCs. Reviewers found the search to be difficult to use and potentially confusing for enrollees, especially those receiving CSRs.
Communication	▪ For plans with significant changes in benefit structure from PY 2019 to PY 2020, few notices included a clear description of the changes to the evaluated benefit categories within the body of the notice. Most of the notices included a reference to the changes in supplemental materials or URL.

An evaluation of deductible and MOOP was not conducted in the previous plan year and therefore has no comparison.

5. Observations

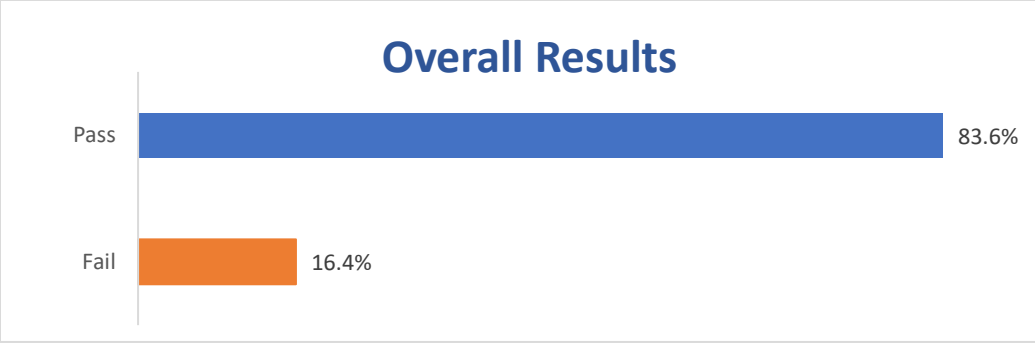
Overall, the 2020 review of QHP issuers' renewal and discontinuance notices suggest that issuers are generally providing required information in notifications of plan changes due to renewal or discontinuance in the form and manner required per 45 CFR § 147.106 and § 156.1255. Details of findings and observations for the form & content, timeliness, recipient accuracy, MOOP & deductible, and benefit structure and cost-sharing are documented in Section 4 of this document. However the following issues should be noted:

- ✓ Five issuers were reviewed due to a significant number of changes to benefit structure and cost-sharing. 63.0% of the notices for the five QHP issuers with a significant number of changes to benefit structure and cost-sharing in renewed plans did not clearly and consistently communicate those changes within their notices or by suppmental attachement. All five of the issuers had at least one notice where changes to benefit structure and cost-sharing were not clearly and consistently communicated.
- ✓ One issuer did not maintain a complete record of its communications with enrollees and therefore could not produce evidence of the provision of required language taglines.
- ✓ One issuer did not provide the correct premium amount to its enrollees in 87.9% of its notices.
- ✓ One issuer did not provide the APTC amounts to its enrollees in 51.9% of its notices.

CMS will continue to review renewal and discontinuance notices for accuracy and compliance with 45 CFR § 147.106 and § 156.1255.

6. Appendix A: Additional Information on Notice Review Results

Summary of Overall Review Results

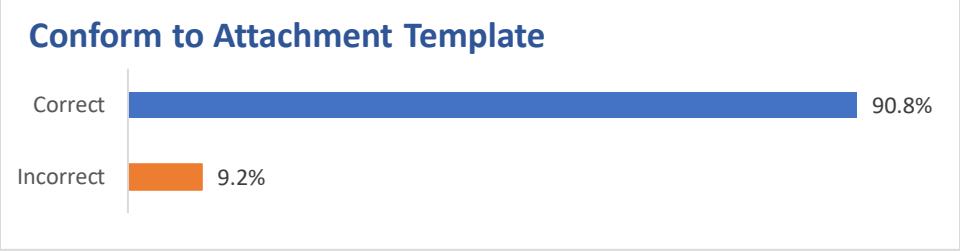


Overall	Number of Records	%
Pass	989	83.6%
Fail	194	16.4%
Total	**1183**	**100%**

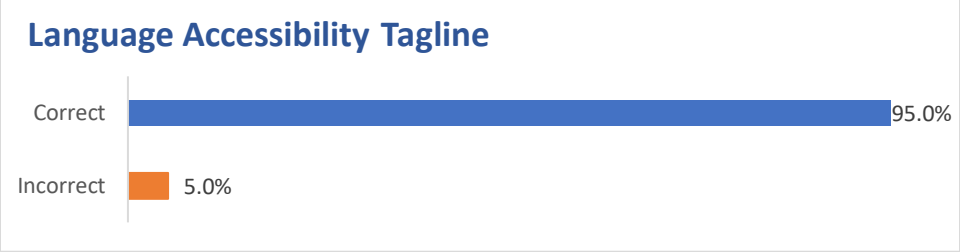
Sample ID	Pass	Fail	Total	Pass %	Fail %
1	57	2	59	96.61%	3.39%
2	58	2	60	96.67%	3.33%
3	57	2	59	96.61%	3.39%
4	33	27	60	55.00%	45.00%
5	58	2	60	96.67%	3.33%
6	58	1	59	98.31%	1.69%
7	26	28	54	48.15%	51.85%
8	56	4	60	93.33%	6.67%
9	59	1	60	98.33%	1.67%
10	58	2	60	96.67%	3.33%
11	0	57	57	0.00%	100.00%
12	58	2	60	96.67%	3.33%
13	58	1	59	98.31%	1.69%
14	55	3	58	94.83%	5.17%
15	7	51	58	12.07%	87.93%
16	60	0	60	100.00%	0.00%
17	57	3	60	95.00%	5.00%
18	58	2	60	96.67%	3.33%
19	60	0	60	100.00%	0.00%
20	56	4	60	93.33%	6.67%
Total	**989**	**194**	**1183**	**83.60%**	**16.40%**

6.1 Summary of Notice Format and Content Review Results

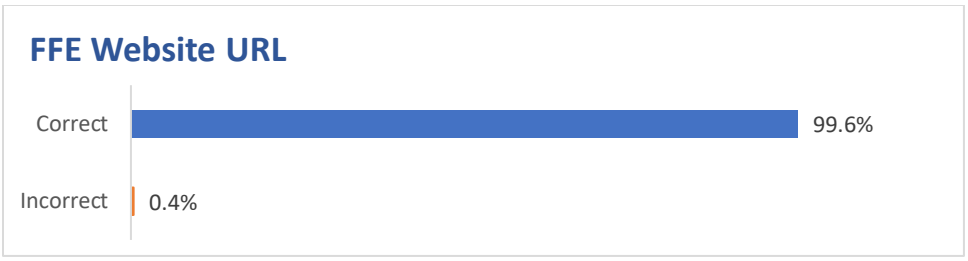
Attachment Used	Number of Records	%
Correct	1178	99.6%
Incorrect	5	0.4%
Total	**1183**	**100.0%**



Conform To Attachment Template	Number of Records	%
Correct	108	90.8%
Incorrect	11	9.2%
Total	**119**	**100.0%**

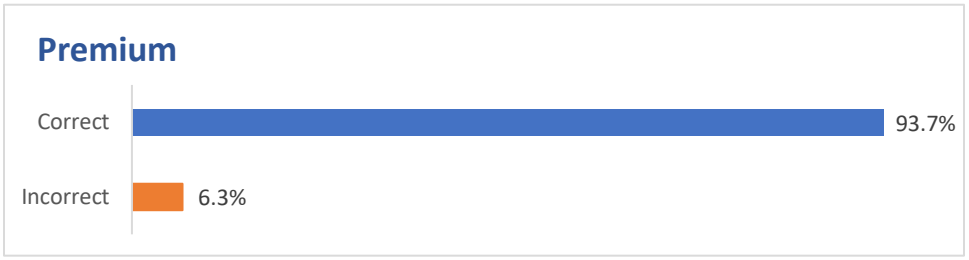


Language Accessibility Tagline	Number of Records	%
Correct	1124	95.0%
Incorrect	59	5.0%
Total	**1183**	**100.0%**



FFE Website URL	Number of Records	%
Correct	1089	99.6%
Incorrect	4	0.4%
Total	**1093**	**100.0%**

APTC	Number of Records	%
Correct	1054	96.4%
Incorrect	39	3.6%
Total	**1093**	**100.0%**



Premium	Number of Records	%
Correct	1024	93.7%
Incorrect	69	6.3%
Total	**1093**	**100.0%**

6.2 Summary of Timeliness Review Results

Date of Notice	Number of Records	%
Correct	1178	99.6%
Incorrect	5	0.4%
Total	**1183**	**100.0%**

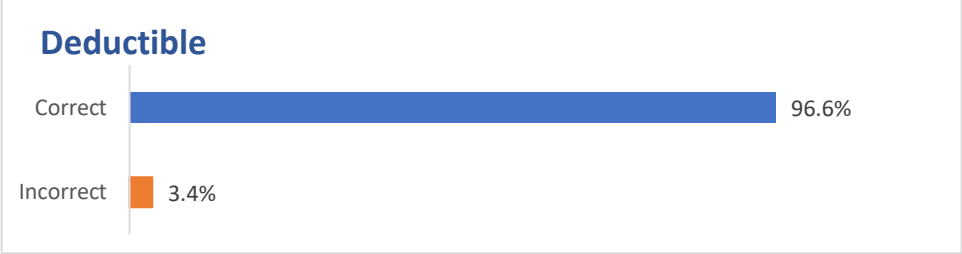
6.3 Summary of Notice Recipient Review Results

Correct Subscriber Name	Number of Records	%
Correct	1084	99.2%
Incorrect	9	0.8%
Total	**1093**	**100.0%**

7. Appendix B: Additional Information on Notice Review Results (Subsample)

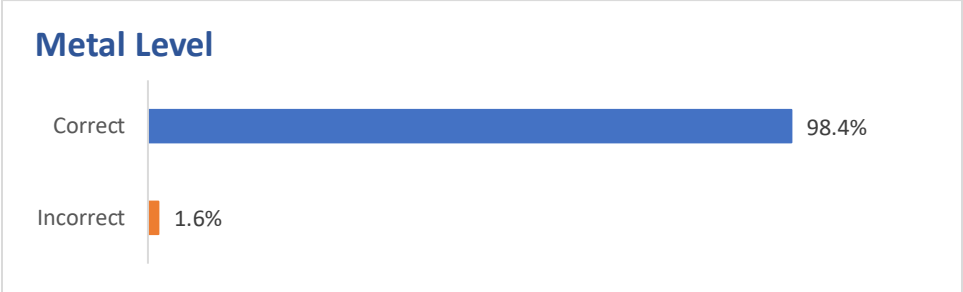
7.1 Summary of MOOP and Deductible Review Results

MOOP	Number of Records	%
Correct	115	96.6%
Incorrect	4	3.4%
Total	**119**	**100.0%**

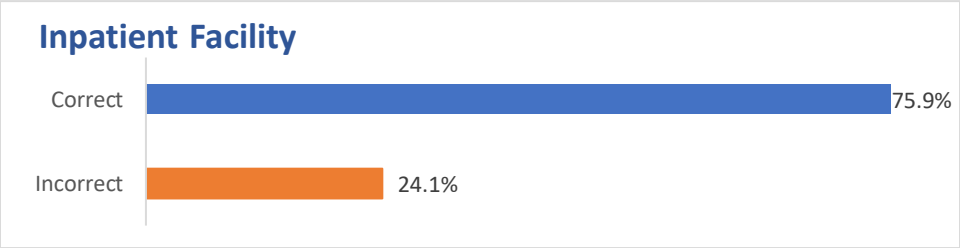


Deductible	Number of Records	%
Correct	115	96.6%
Incorrect	4	3.4%
Total	**119**	**100.0%**

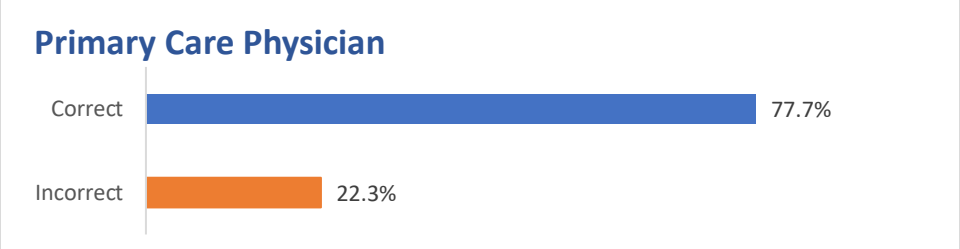
7.2 Summary of Benefit Structure and Cost-Sharing Review Results



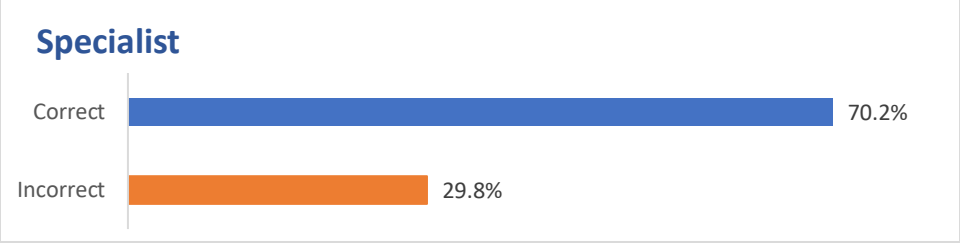
Metal Level	Number of Records	%
Correct	63	98.4%
Incorrect	1	1.6%
Total	**64**	**100.0%**



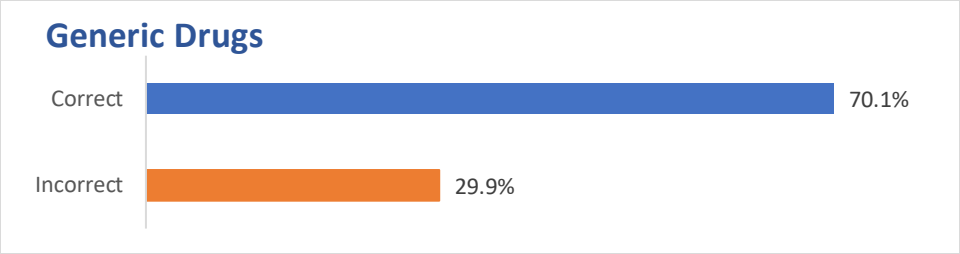
Inpatient Family	Number of Records	%
Correct	60	75.9%
Incorrect	19	24.1%
Total	**79**	**100.0%**



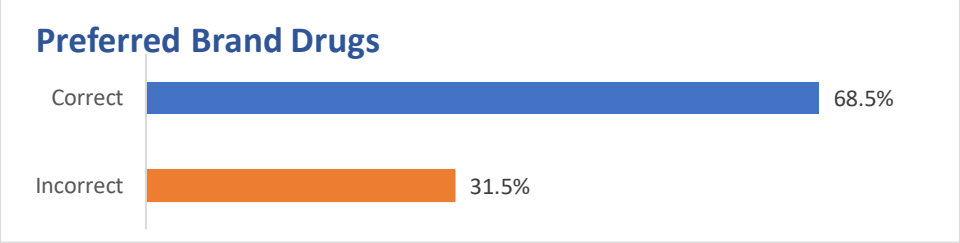
Primary Care Physician	Number of Records	%
Correct	73	77.7%
Incorrect	21	22.3%
Total	**94**	**100.0%**



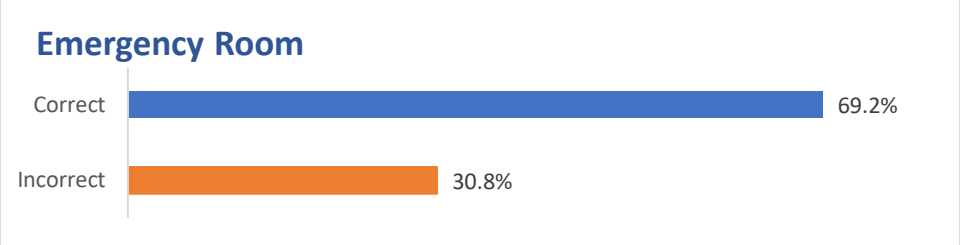
Specialist	Number of Records	%
Correct	66	70.2%
Incorrect	28	29.8%
Total	**94**	**100.0%**



Generic Drugs	Number of Records	%
Correct	68	70.1%
Incorrect	29	29.9%
Total	**97**	**100.0%**



Preferred Brand Drugs	Number of Records	%
Correct	61	68.5%
Incorrect	28	31.5%
Total	**89**	**100.0%**



Emergency Room	Number of Records	%
Correct	9	69.2%
Incorrect	4	30.8%
Total	**13**	**100.0%**