



March 3, 2014

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Centers for Medicare and Medicaid Services
Office of Strategic Operations and Regulatory Affairs
Division of Regulations Development
Attention: CMS-10515
Room C4-26-05
7500 Security Boulevard
Baltimore, MD 21244

**Subject: Payment Collections Operations Contingency Plan (CMS-10515) – AHIP
Comments**

To Whom It May Concern:

We are writing on behalf of America's Health Insurance Plans (AHIP) to offer comments in response to the Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) Information Collection Request related to the Payment Collections Operations Contingency Plan to support the interim approach to the Marketplace interim payment processing, published in the *Federal Register* on January 31, 2014, and detailed information posted on the CMS Paperwork Reduction Act (PRA) Website. AHIP is the national trade association representing health insurance plans that provide coverage to more than 200 million Americans.

AHIP has been engaged with CMS and our member health insurance plans on the process and timeline for monthly payment processing and reporting (via the HIX 820 payment transaction). The full monthly payment process was scheduled to be implemented in December 2013 to accommodate the first advance payments of the premium tax credit (APTC) and cost-sharing reduction (CSR) payments in January 2014. However, due to delays in producing guidance, finalizing the 820 Companion Guide, which will be used by issuers as the basis for implementing the payment transaction, and testing, CMS determined that the best option for making timely payments to issuers for the initial months of 2014 was to adopt an interim payment process. CMS has recently indicated that this interim process may be in place at least through April 2014.

Health plans are now focused on ensuring a continued smooth adoption of the temporary Marketplace process for making APTC and CSR payments to issuers in the Federally-facilitated Marketplace (FFM) and State-based Marketplaces (SBMs). This interim payment process, announced by CMS in December, requires FFM issuers, SBM issuers, or an SBM on behalf of its issuers, to submit the Enrollment and Payment Data Template. Each month, issuer and SBM



submitters must provide issuer administrative information, aggregate enrollment group and enrollee counts, and aggregate estimated amounts for premiums, APTC and advance CSR payments, and FFM user fees, for the following month and restatements to update previous months' enrollment and payment data.

This process for collecting and submitting enrollment and payment data is resource-intensive and requires significant manual work by issuers. To ensure payment accuracy and long-term stability of Marketplaces, CMS must move away from this manual process to monthly payment processing and reporting via the HIX 820. However, before the HIX 820 can be implemented for payments to issuers, it is critical that CMS first define a clear roadmap to ensure a successful transition. A complete roadmap for HIX 820 implementation must address the following:

1. Timeline and Final Processes for Monthly 834 Enrollment Reconciliation – The processes for making accurate payments to issuers and monthly enrollment reconciliation are highly interdependent. Having CMS make accurate payments to issuers for APTC, CSR, and the FFM user fee via the HIX 820 is contingent upon the full monthly 834 enrollment reconciliation operating successfully to ensure that CMS' enrollment data is accurate and current. This will ensure payment accuracy and minimize discrepancies between CMS and plans. In addition, this reconciliation is needed between SBMs and CMS in order for CMS to generate payments for issuers in SBM states.

The current interim process of providing issuers with pre-audit files with enrollment data will not support the HIX 820 process. CMS needs to finalize the process and timeline and define the roles and responsibilities for CMS, the enrollment reconciliation vendor, and issuers to ensure successful monthly enrollment reconciliation. Due to the ongoing interim approach to reconciling enrollment through pre-audit files, issuers are increasingly becoming the "source of truth" for enrollments through the FFM. CMS has indicated that implementing the 834 monthly reconciliation process in the FFM may involve a transitional period to shift to CMS as the source of truth. If there is a transitional approach in the initial month(s) of 834 enrollment reconciliation, we recommend that payments to issuers via the HIX 820 begin after the monthly enrollment reconciliation process is functioning successfully.

2. Final HIX 820 Documentation and Requirements – CMS has not yet published the final HIX 820 Companion Guide. Issuers will use requirements and specifications included in the final Companion Guide to build their systems and processes and work with vendors and trading partners. The latest draft version of the Companion Guide was published August 23, 2013. CMS must publish a final HIX 820 Companion Guide in advance of testing to allow issuers time to finalize their systems and internal processes. CMS also needs to publish a timeline for monthly payments to issuers (including dates for each of



the two HIX 820 files), HIX 820 report and payment type codes, and the final discrepancy reporting file format.

3. Issuer Testing – CMS must establish a testing schedule that includes ample time for CMS and issuers to complete successful testing. Assuming that the final Companion Guide includes only minor changes (e.g., configuration only) to the version published in 2013, issuers will need at least 8 weeks to complete testing with CMS. This testing timeline is also contingent upon issuers receiving valid test data, CMS and issuers accurately coding to the Companion Guide, and that the testing environment is stable and consistently available to issuers during testing. To date, issuers have experienced ongoing problems with sample and test data. Test files should be automated, not manually produced, to best reflect the production environment. In addition, test cases should not only reflect the best case scenario as has been the case with the majority of testing so far, but should allow CMS and issuers to test with the full range of scenarios that they are likely to encounter in production. Problems with test data or coding or significant outages in the testing environment would necessitate a longer testing period. If changes to the Companion Guide specifications are minor, issuers would need at least 2-3 weeks to finalize their internal systems and processes prior to beginning testing with CMS. CMS should publish a testing and implementation timeline at the same time it publishes the final Companion Guide to allow issuers to prepare for testing.

We also note that this testing schedule represents the amount of time that *all* issuers will need to test. If CMS first conducts testing with a smaller group of issuers, it must still provide the full testing schedule to the wider issuer community. To ensure accurate and timely payments to issuers in production, CMS should rely on issuer feedback throughout testing. It is not sufficient for CMS to rely only on internal indicators of success. Throughout testing, CMS should solicit feedback from issuers on their progress and the success of various test cases. If issuers indicate that testing has not been successfully completed or that key components of the HIX 820 payment process are not functioning successfully in testing, CMS should extend the testing period and continue with the interim payment process until issuers indicate that testing has been successfully completed.

4. Additional Time for First HIX 820 Payments – The implementation timeline should also incorporate additional time for CMS and issuers to process the first HIX 820 payments and reconcile. The transition from the current manual interim payment process to the first HIX 820 “catch-up” file will require additional time for CMS and issuers to reconcile payment data and (i.e., through the proposed discrepancy reporting process) and to address any issues that arise in production that were not observed in testing. In that initial month, it will be important to build in additional time for CMS and issuers to ensure payments are accurate and that the process is running smoothly before moving

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forward with subsequent payments, which could result in compounding data errors. CMS should also consider running both payment methods (interim payment process and HIX 820 process concurrently).

Finally, it is crucial that the 820 process that is implemented for the remainder of 2014 must be the same as the 820 used for 2015 and subsequent plan years, unless there are major flaws. It is critical for the stability of Exchanges to implement consistent processes. Transitioning to a new process for the remainder of 2014, then again transitioning to a new process for payments for the 2015 plan year would result in significant strain on issuers. It is important that the payment process implemented by CMS provide a level of consistency in payments to issuers to ensure that payments are accurate.

Finally, developing a process and timeline for implementing the 820 payment and reporting process must be part of a broader, comprehensive roadmap discussion in planning for upcoming Exchange functionality and processes for the remainder of 2014 and moving into 2015. There are a number of outstanding processes that need to be finalized to realize full functionality of the FFM and Federally-facilitated SHOP, and these components are all highly interdependent. One piece of functionality cannot be developed in a silo without consideration for the impact on the many other moving pieces.

Prior to the launch of Exchanges on October 1st, AHIP and issuers were deeply engaged with CMS in planning the approach to monthly 834 enrollment reconciliation and payments to issuers via the HIX 820. We look forward to these detailed conversations being restarted so work can continue. We are committed to work with your teams to ensure that the processes for enrollment reconciliation and payments to issuers can be implemented in a manner that results in accurate enrollment information and payments.

Please do not hesitate to contact me if you have any questions at 202-861-1491 or jthornton@ahip.org.

Sincerely,

A handwritten signature in black ink that reads "Jeanette Thornton".

Jeanette Thornton
Vice President, Health IT Strategies