BlueCross BlueShield Association

An Association of Independent Blue Cross and Blue Shield Plans

September 9, 2019

Seema Verma
Administrator
Centers for Medicare and Medicaid Services 7500 Security Blvd.
Baltimore, MD 21244

Submitted via the Federal Regulations Web Portal, http://www.regulations.gov

RE: Annual Eligibility Redetermination, Product Discontinuation and Renewal Notices - PRA

Dear Administrator Verma:

The Blue Cross Blue Shield Association (BCBSA) appreciates the opportunity to provide comments on the PRA: "Annual Eligibility Redetermination, Product Discontinuation and Renewal Notices" as issued in the Federal Register on July 10, 2019 (CMS-10527).

BCBSA is a national federation of 36 independent, community-based and locally operated Blue Cross and Blue Shield companies (Plans) that collectively provide healthcare coverage for one in three Americans. For 90 years, Blue Cross and Blue Shield companies have offered quality healthcare coverage in all markets across America – serving those who purchase coverage on their own as well as those who obtain coverage through an employer, Medicare and Medicaid.

We appreciate the recent flexibility provided to issuers in July on the Federal Standard Renewal and Product Discontinuation Notices. We also appreciate the updates to the notices to clarify that consumers' financial assistance could change due to benchmark plan changes which should help avoid surprises from subsidy decreases despite unchanged family circumstances.

As the Centers for Medicare and Medicaid Services (CMS) seeks an extension of the existing Paperwork Reduction Act (PRA) approval related to renewal notices, we recommend providing additional flexibility to issuers. While CMS did not propose any revisions to the notices in requesting the extension, we understand changes can still be made in response to public comments. Therefore, we recommend the following:

- Instead of requiring a standard renewal notice template, CMS should publish a list of data elements for issuers to include in their renewal notices in a manner and format best suited to their customers.
- In addition, exchanges should include updated, accurate subsidy amounts in the marketplace open enrollment notice that enrollees receive from exchanges at the start of

open enrollment, as outlined in 45 CFR 155.335(c).

We understand the new PRA approval would be applicable for the 2021 plan year, and we recommend these changes be provided on the same timeline.

Due to the timing of Qualified Health Plan (QHP) certification, state review and approval of products and rates, the Internal Revenue Service (IRS) updated income information and batch auto-renewal (BAR) processing, most issuers do not receive updated subsidy information from their exchanges in time to include in their renewal notices. As a result, exchange enrollees must rely on multiple pieces of information, sent at different times by separate entities, for a complete picture of their premium responsibility. Neither the issuer renewal notice nor the marketplace open enrollment notice contain complete financial information for the upcoming year. Enrollees who are automatically renewed (roughly one quarter of exchange enrollees nationally) do not receive their premium responsibility amount (total monthly premium minus updated advance premium tax credit) until receiving their January invoice from their issuer, which often occurs after open enrollment has closed and consumers are unable to change plans.

Issuers have conducted independent focus group testing of renewal notices and other customer communications and found that notices are more effective when simplified and personalized. With flexibility to tailor renewal notices, issuers could do more to ensure enrollees receive easy-to-understand, actionable information about changes to their monthly payments, benefits and out-of-pocket costs for the upcoming plan year.

Our recommended changes would help consumers understand changes and actions they must take and reduce issuers' customer service and operational burdens, ultimately lowering costs. One Plan reports 10 to 20 percent of customer service calls during open enrollment stem from customer confusion about information in renewal notices. The current renewal notice templates are lengthy, especially when combined with cover letters that many issuers feel are necessary to clarify the information in the templates. Flexibility to be concise and customize information most relevant to their customers would allow issuers to reduce the amount of paper that gets mailed to enrollees annually.

Flexibility to customize would also allow issuers to add information to renewal notices that the current standard templates do not include, such as information about a state's individual mandate or other state-specific requirements. While we appreciate that some state regulators would review state-specific language, we expect that the burden would be minimal compared to other state review requirements and that the benefits of shortening and customizing notices would outweigh any variability across issuers.

We also appreciate that even with flexibility, issuer renewal notices may still lack updated subsidy information, due to the timing issues described above. It is, therefore, especially important that exchanges help consumers understand their financial responsibility by communicating updated subsidy amounts in marketplace open enrollment notices, as recommended above, and as envisioned in 45 CFR 155.335(c) and (d). This would ensure all enrollees receive an accurate subsidy amount closer to the start of open enrollment and would help eliminate auto-renewed enrollees' surprise and frustration when they receive their January invoice and see an updated subsidy amount that doesn't match the estimated amount from their issuer renewal notice.

In conclusion, exchanges and issuers can make the best of an unfortunate timing situation by providing renewing enrollees with concise, enrollee-specific information as it becomes available. Doing so will make it easier for consumers to understand changes and actions they need to take and will reduce operational and administrative costs. We appreciate your consideration of our comments. If you have any questions or want additional information, please contact Sarah Heard at sarah.heard@bcbsa.com.

Sincerely,

Kris Haltmeyer
Vice President, Legislative & Regulatory Policy
Office of Policy & Representation