	Centers for Medicare & Medicaid Services **Office of Financial Management**

[SBE Name] Improper Payment Pre-Testing and Assessment (IPPTA) Report Template

Draft

Date

Record of Changes

Version	Date	Author / Owner	Description of Change	CR #

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Executive Summary

Federal agencies are required to comply with The Payment Integrity Information Act of 2019, and the Office of Management and Budget Circular A-123, Appendix C. These statutes and regulations require the Centers for Medicare & Medicaid Services (CMS), like other federal agencies, to use a systematic method to review all programs and activities and identify those that are susceptible to significant improper payments. For programs deemed vulnerable to significant improper payments, CMS must obtain a statistically valid estimate of the annual amount of improper payments, implement a plan to reduce improper payments, and report annually in the Agency Financial Report (AFR).

The Health Insurance Exchanges (Exchanges) and related programs were created under the mandates of the Patient Protection and Affordable Care Act (ACA) (Pub. L. 111–148). The Health Care and Education Reconciliation Act of 2010 (Pub. L. 111–152), enacted shortly after the ACA, amended and revised several ACA provisions. Per the above laws and regulations, CMS started Exchange Improper Payments Measurement (EIPM) initiatives to conduct improper payments risk assessments and measurements for the Exchanges and related programs. The overall goal of the State-based Exchange Improper Payment Measurement (SEIPM) program engagement is to help each State-based Exchange (SBE) prepare for the planned measurement of Exchange improper payments associated with advance payments of the premium tax credit (APTC) and solicit input from the SBE regarding the process, data collection tools, and the workload associated with SEIPM.

The purpose of this document is to provide members of the [SBE Name] with a summary of the engagement activities performed during IPPTA and provide insights for SEIPM based on SBE feedback and observations from CMS. This report is targeted towards members of the SBE and will not be distributed publicly by CMS, unless otherwise required by law.

[Insert a brief summary of the activities the SBE completed. Draw from the IPPTA Checklist activities was completed in prior voluntary state engagement and during IPPTA. Mention the key takeaways from the lessons learned or recommendations to SBE for SEIPM readiness.]

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1. Introduction

1.1 Overview of the Improper Payment Pre-Testing and Assessment Initiative

The Payment Integrity Information Act of 2019 (PIIA) requires federal executive agencies to identify all programs and activities with outlays exceeding a statutory threshold dollar amount that may be susceptible to significant improper payments.[1] The Department of Health and Human Services (HHS) determined that advance payments of the premium tax credit (APTC) are susceptible to significant improper payments and are subject to additional oversight. HHS, as used herein, refers to the department, the Centers for Medicare & Medicaid Services (CMS), and its contractors.

CMS established the Exchange Improper Payment Measurement (EIPM) program to measure improper payments for Federally-facilitated Exchanges (FFEs) and State-based Exchanges on the Federal platform (SBE-FPs). In 2022, the annual Agency Financial Report (AFR) began to report improper payments of APTC made by FFEs and SBE-FPs as part of the EIPM program. Improper payments of APTC made by State-based Exchanges (SBEs), which are exchanges that operate their own eligibility and enrollment systems, will not be measured and reported until a measurement program is established regarding such payments. CMS is in the planning phase of establishing a State-based Exchange Improper Payment Measurement (SEIPM) program.[2] The SEIPM program will serve as CMS's formal improper payment measurement program for SBEs. In order to assist in the development of the SEIPM program, CMS established the Improper Payment Pre-Testing and Assessment (IPPTA). Additionally, IPPTA will provide a mechanism for CMS and SBEs to share information that will aid in developing an efficient measurement process.[3]

1.2 Background

In 2019, CMS developed the voluntary state engagement initiative to provide SBEs with an opportunity to prepare for planned measurement of improper payments of APTC. CMS provided three options to SBEs—program analysis, program design, and piloting—designed to accommodate the SBEs' schedules and availability to participate in the initiative. As of [insert latest date before posting to web], Several SBEs participated in voluntary engagement. Upon further assessment, CMS determined that participation from all SBEs is required to test processes and procedures related to APTC. CMS established IPPTA to replace the current voluntary state engagement initiative.[4] The final rule that established IPPTA was published in the Federal Register on April 27, 2023, at 88 Fed. Reg. 25740.

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[1] 31 U.S.C. § 3352(a)(1)(B)

[2] 87 Fed. Reg. at 27280 (May 6, 2022)

[3] 88 Fed. Reg. at 25840 (Apr. 27, 2023)

[4] 88 Fed. Reg. 25740 (Apr. 27, 2023) The IPPTA requirements can be found in Part 155, subpart P. The IPPTA requirements became effective on June 18, 2023.

1.3   Purpose

The purpose of this document is to provide [SBE Name] a summary of all the accomplishments of the SBE through its participation in IPPTA and includes:

- Final IPPTA plan
- Final IPPTA checklist with CMS's assessment of the SBE's completed activities
- List of tasks, if any, that the SBE was not able to perform during the IPPTA period
- Observations and recommendations that result from processing and reviewing the SBE's data submitted by the SBE to assist the SBE in its preparations for the planned measurement program
- Summary of the SBE's feedback and recommendations on how to improve the tools and processes for the planned measurement program

1.4   Audience

The IPPTA report is for CMS and SBE internal use only and will not be made available to the public by CMS unless otherwise required by law.

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2. Overview of IPPTA Engagement

The engagement with [SBE Name] for IPPTA occurred over the course of two years from January [2024 or 2025] through December [2025 or 2026].

CMS developed IPPTA, in part, to test CMS's processes and procedures that support CMS's review of determinations of APTC made by SBEs. CMS collected and reviewed data and information from each SBE during IPPTA. This will help CMS determine the effectiveness of proposed technology, tools, and data collection methods to inform future program development.

IPPTA high-level processes and procedures include:

- Orientation and Planning
- Submission of Data Documentation
- Completion and Submission of IPPTA DRF
- IPPTA Scenario-based Sampling
- Discussion of Review Observations
- SBE Closeout and IPPTA Report

2.1 IPPTA Requirements Met through Voluntary State Engagement

[Instructions: This section should specify the IPPTA requirements that were met through prior voluntary state engagement. Refer to the corresponding section in the IPPTA Plan. If the SBE did not participate in voluntary state engagement, this section can be removed.]

Example language:

The goal of the voluntary state engagement was to help each SBE prepare for formal measurement of improper payments. As identified during the site visit, the purpose of the voluntary state engagement was to:

- Reduce burden on SBEs during formal measurement
- Reflect unique SBE characteristics in the SEIPM methodology
- Communicate SEIPM review requirements and activities
- Train representatives on SEIPM activities
- Increase the accuracy of the error rate measurement

Activities that SBEs successfully completed while participating in voluntary state engagements were not duplicated as part of IPPTA. SBEs that did not participate in voluntary state engagements will not have performed activities that satisfy IPPTA requirements, and therefore, must complete all IPPTA processes and procedures.

[SBE Name] completed the below activities during voluntary state engagement from [dates of voluntary state engagement], preceding the start of IPPTA in [2024 or 2025, depending on Group].

- [List activities met during voluntary state engagement. Refer to IPPTA Plan's corresponding section.]

For more information about the SBE's voluntary state engagement, refer to its PAR. [Insert link].

2.2   IPPTA Requirements Completed during IPPTA

[Instructions: This section should focus on the IPPTA activities that were completed during the IPPTA period. The activities in the below subsections are from the IPPTA Checklist. Each subsection should go into detail about how they completed each activity, and include any observations from RC, CMS, or SBE about the activity's completion (e.g., completed on time, use of specific tools, efficiency of processes, timing of activities). These observations can be referenced and incorporated into recommendations in Section 5.]

2.2.1   Participation in IPPTA Orientation and Planning Processes

Example language regarding SBE review and refinement of the IPPTA Plan:

[SBE Name] reviewed its presented IPPTA Plan, which outlines the approach to complete the desired objectives, including key points of contact, descriptions of the activities, and target timelines. [SBE Name] concurred with the IPPTA Plan on [Month DD, YYYY].

The IPPTA Plan was subsequently used over the course of the entire engagement to document action items, track progress, and communicate requests for information. The final version of the [Insert link to IPPTA Plan] is available on [CMS zONE/Box/other platform].

List of activities from the IPPTA Checklist:

- SBE collaborated with CMS to refine its IPPTA Plan
- Signed the appropriate agreement(s) between SBE and CMS to share data and data documentation
- SBE set-up and tested connectivity to the designated CMS systems for data and data documentation transfer

2.2.2   SBE-Specific Review Modules Document (RMD) Development and Acknowledgement

Example language regarding data documentation submission:

As an integral part of IPPTA, CMS requested documents reflecting SBE-specific policies and procedures to assess how review units may need to be adjusted to meet SBE-specific criteria. Additionally, CMS requested data models or data dictionaries to determine which of the SBE's data elements would be needed for each SEIPM review unit. CMS leverages the SBE-specific information regarding policies and operating procedures to develop the draft SBE-specific RMD for [SBE Name] using the Baseline RMD as a reference. The SBE submitted the following policy documents:

- [List documentation and the date of submission and/or date of effect]

The SBE has provided much of the material requested; however, both the electronic and manual verification interview protocol documents have not been completed at the time of this assessment. Additionally, it is noted that several follow-on questions remain with respect to the interview worksheet. While the SBE has generally confirmed CMS's understanding of business logic and data sources pertaining to SBE eligibility and enrollment functions, there are a number of questions that remain. Completion of the interview worksheet would further enhance CMS's understanding of these eligibility and enrollment functions.

List of activities from the IPPTA Checklist:

- SBE submitted data documentation that addresses the SBE's:
    - Business rules and related calculations
    - Entity Relationship Diagram
    - Data Dictionary
    - Operating Procedures
    - State Policies
    - System Technology
- SBE responded to CMS questions and requests for clarification related to data documentation
- SBE reviewed and acknowledged the SBE-specific RMD that CMS created based on the SBE's specific business rules and policies

2.2.3 Mapping SBE Data to IPPTA DRF

List of activities copied from the IPPTA Checklist:

- SBE completed the mapping of SBE data elements from its source data repositories to the IPPTA DRF information elements

2.2.4 Submission of Pre-Sampling and Sampled Unit Data

List of activities from the IPPTA Checklist:

- SBE completed the pre-sampling tab
- SBE identified the applications that collectively meet all the scenario-based criteria specified by CMS
- SBE submitted the application data associated with no fewer than 10 tax household identification numbers and the associated policy identification numbers including all submitted application versions and any associated consumer submitted documentation
- SBE engaged in follow-up discussions with CMS on additional information, clarifications, and corrections to ensure that the SBE's submitted data and consumer submitted documents are sufficient to enable CMS to test all IPPTA processes and procedures

2.2.5 Discussion of Review Observations

List of activities from the IPPTA Checklist:

- SBE acknowledged CMS's review observations including the underlying reasons why they were generated and collaborated with CMS re-evaluating the observations, if warranted

2.3 IPPTA Requirements Remaining

*[Instructions: This section should focus on the IPPTA activities that were **not** completed or partially completed during the IPPTA period. If all requirements were fulfilled, this section can be removed.]*

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3. Summary of Sampled Unit Review Observations

[Instructions: This section should include a high-level summary of the review observations from the SBE's submitted data. It can also include comments related to the SBE's use of review tools and the RC's/CMS's experience in conducting and managing reviews execution, among other topics. Discuss with CMS to determine the full scope of this section and how they want to frame review observations to the SBE.]

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4. Summary of SBE Feedback

[Instructions: Provide a summary of SBE's feedback received during IPPTA through responses to the IPPTA Checklist Questionnaires, meeting notes, emails, or any other mechanisms by which the SBEs provide written or verbal feedback about IPPTA and/or SEIPM.]

5. Recommendations to SBE for SEIPM Readiness

[*Instructions:* *This section should cover any recommendations for the SBE's readiness for SEIPM. It can touch on areas where the SBE is sufficient and those where the SBE can improve, based on the observations discussed in Sections 2 and 3. Discuss with CMS the types of lessons learned and how to best communicate those to the SBE. For instance, whether lessons learned at the program level should be included or should focus on the SBE.*

This section may also touch on partially completed or incomplete activities from IPPTA that could be next steps for the SBE to work towards SEIPM readiness as well as any SEIPM materials that are available at the time of this report that can be shared with the SBE in advance to prepare for SEIPM.]

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Appendix A. IPPTA Plan

[Insert finalized SBE-specific IPPTA Plan.]

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Appendix B. IPPTA Checklist

[Insert finalized SBE-specific IPPTA Checklist with SBE Assessment of Completed Activities.]

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Appendix C. [SBE Name] Data Documentation

[Insert the relevant data documentation provided by the SBE.]

[SBE Name] Documentation	Description	Location

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Acronyms

Term	Definition
A-123 Appendix C	Circular A-123, Appendix C (2021 version)
ACA	Affordable Care Act
AFR	Agency Financial Report
APTC	Advance Payment of the Premium Tax Credit(s)
BY	Benefit Year
CR	Change Request
DRF	Data Request Form
DUA	Data Use Agreement
MIDAS	Multidimensional Information Data Analytics System
MY	Measurement Year
OFM	Office of Financial Management
OMB	Office of Management and Budget
PHI	Protected Health Information
PII	Personally Identifiable Information
PIIA	Payment Integrity Information Act
PY	Plan Year
QHP	Qualified Health Plan
SBE	State-based Exchange
SEIPM	State-based Exchange Improper Payment Measurement
SEP	Special Enrollment Period
SSN	Social Security Number

Glossary

Term	Definition
Applicant	Any member on an application for whom coverage was requested by the application filer.
Application	Collection of consumer-submitted information for requesting health coverage benefits, including information about consumers requesting coverage used for Exchange program eligibility determinations.
Benefit Year (BY)	The year for which improper payments will be evaluated. Preparation for an EIPM cycle is largely completed during the BY.
Consumer	Same as Application Member. Individuals on an application that can be either Applicant or Non-Applicant.
Data Elements	The term CMS uses for the SBE-designated names for specific data fields, that may correspond to column headers within SBE-specific data tables.
Observation	A result from Review Unit logic that has been verified by Exchange interested parties and deviates from what is expected.
Federal Data Services Hub	A CMS service to transmit data between Federal and State Administering Entities and to interface with Federal partners and data sources.
Improper Payment Errors	Instances where applications from the EIPM sample failed any reviews performed (AAR, MDR, MXR, MIR). They will be included in calculating the improper payments dollars and estimating improper payments rate.
Information Elements	The term CMS uses for the IPPTA DRF column headers to describe the type of data it is requesting from the SBE. Intended to provide a more generalized term for the type of data requested, that may apply to all SBEs.
Interview Worksheet	An Excel document used to gather SBE-specific requirements for the key verification events used to determine APTC calculations.

Term	Definition
IPPTA Checklist	The IPPTA checklist is created from a template that CMS will tailor to each SBE. It is divided into five categories: 1. Participation in IPPTA Orientation and Planning Processes 2. SBE-specific RMD Development and Acknowledgment 3. Mapping SBE Data to IPPTA DRF 4. Submission of Pre-sampling and Sampled Unit Data 5. Discussion of Review Observations Descriptions of each category and the corresponding measurable objectives are in the IPPTA checklist template in Appendix B.3 of the IPPTA Guide for SBEs.
IPPTA Data Documentation Examples and Submission Instructions Job-Aid	Defines and provides examples of each type of data documentation required, including a general description of how CMS will use the data documentation in the IPPTA review process, as well as submission instructions (e.g., SFTP).
IPPTA Data Request Form (DRF)	The IPPTA DRF is the primary tool CMS uses to collect exchange application data from SBEs to perform the IPPTA review processes. The IPPTA DRF is an MS Excel workbook with 15 tabs divided by topic area to enable SBEs to conduct a structured data extract. The last tab of the workbook is the "Data Dictionary," which provides the definitions, format, length, and example for each information element. The IPPTA DRF tabs specify the data CMS needs to conduct all review units in a Review Module Document (RMD) specific to the SBE. The IPPTA DRF is required by the IPPTA regulation at 45 CFR § 155.1510(a)(2). OMB approved the IPPTA DRF for the collection of data from SBEs for IPPTA under OMB control number 0938-1439.
IPPTA Data Request Form (DRF) Job-Aid	14 modules (narrated PPT, transcript of narration, and Mp4 with closed captions for each module). Intended to assist SBEs with completing the IPPTA DRF. Provides an overview of the IPPTA DRF, how to create proxy identifiers, and instructions on how to complete each tab of the IPPTA DRF. Includes context for each tab, tips to avoid common errors as well as directions for what to do if submitter cannot complete a field (e.g., SBE's business rules do not require collection).

Term	Definition
IPPTA Notification	A Word template for the RC to use to issue notifications to SBEs concerning information related to IPPTA processes and procedures. The template will be included in the Appendix of the sub-regulatory guidance.
IPPTA Plan	The IPPTA plan is created from a template that CMS will tailor to each SBE. The IPPTA plan enumerates the procedures, sequence, and schedule that CMS and each SBE will follow to accomplish all the IPPTA processes and procedures. The IPPTA plan also includes the IPPTA checklist, which CMS will use to review and document a SBE's completion of IPPTA requirements.
IPPTA Report	The IPPTA report is created from a template that CMS will tailor to each SBE. The SBE-specific IPPTA report summarizes all the accomplishments of the SBE through its participation in IPPTA and will include: • Final IPPTA plan • Final IPPTA checklist with CMS's assessment of the SBE's completed activities • List of tasks, if any, that the SBE was not able to perform during the IPPTA period • Observations and recommendations that result from processing and reviewing the SBE's data to assist the SBE in its preparations for the planned measurement program • Summary of the SBE's feedback and recommendations on how to improve the tools and processes for the planned measurement program
Measurement Year (MY)	The first calendar year after the BY, when sampling and reviews for EIPM start.
Pre-Submission Checklist (DRF)	A short (one-page) list of validation activities and QA checks that SBEs should perform prior to submitting the DRF to catch potential errors or omissions and reduce the number of DRF resubmission iterations between CMS and the SBE.
Reporting Year (RY)	The second calendar year after the BY when all EIPM activities are completed, and the final improper payments rates are calculated for AFR reporting by the end of October.

Term	Definition
Review Modules Document (RMD)	A document that outlines all the tests used to detect improper payments. These tests are partitioned into review units. This document lists each review unit's objective, criteria, required information elements, and regulatory background.
Template	This is the generic starting template various documents. The draft and final document versions specific to each SBE are based on the template.