

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



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**Date:** June 17, 2016

**Subject:** Alternative Schedule for Payment of Charges for Reconciliation of the Cost-sharing Reduction Portion of Advance Payments for the 2014 and 2015 Benefit Years

**Question:** The March 16, 2016, *Manual for Reconciliation of the Cost-Sharing Reduction Component of Advance Payments for Benefit Years 2014 and 2015* states that “CMS recognizes that in this first year of reconciliation, a few issuers may not have fully anticipated the results of the reconciliation, and could be charged amounts they did not fully expect and cannot immediately pay. In such an event, if circumstances warrant, CMS is willing to work with the issuer on repayment (but would require that the full amount of these charges eventually be paid) consistent with applicable law.”<sup>1</sup> How can an issuer request such an accommodation?

**Answer:** CMS will consider providing flexibility on the payment schedule for reconciliation of the cost-sharing reduction component of advance payments to assist issuers with cash flow constraints, to ensure they may continue to provide coverage to enrollees through the end of the benefit year. To request such flexibility, an issuer must email [CSRrepayment@cms.hhs.gov](mailto:CSRrepayment@cms.hhs.gov) **no later than 11:59 p.m. ET on Tuesday, July 5, 2016.** With that request, the issuer must provide CMS with detailed financial statements and projections, and must promptly inform its State Department of Insurance that it has requested this flexibility. If the issuer meets the requirements for this flexibility, it must enter into a payment agreement reflecting the terms of that payment schedule with CMS no later than 11:59 p.m. ET on Tuesday, July 12, 2016. The payment schedule will require the payment of interest, in accordance with 45 CFR 30.18.

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<sup>1</sup> Available at: [https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS\\_Guidance\\_on\\_CSR\\_Reconciliation-for\\_2014\\_and\\_2015\\_benefit\\_years.pdf](https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/CMS_Guidance_on_CSR_Reconciliation-for_2014_and_2015_benefit_years.pdf).