

Improper Payment Pre-testing and Assessment (IPPTA) Frequently Asked Questions (FAQs)

V 1.0 – 9/18/23

#	TOPIC	QUESTION	ANSWER
1.	IPPTA Overview	Why did CMS establish IPPTA?	CMS established IPPTA to prepare State-based Exchanges (SBEs) for the planned measurement of improper payments, to test processes and procedures that support CMS’s review of determinations of advance payments of the premium tax credit (APTC) made by SBEs, and to provide a mechanism for CMS and SBEs to share information that would aid in developing an efficient measurement process. CMS proposed implementing a measurement program called the State Exchange Improper Payment Measurement (SEIPM) program in 2022. However, based on comments from SBEs, CMS decided to withdraw that proposal and start with a pre-testing and assessment program that builds on CMS’s experience and learning during the voluntary state engagements.
2.	IPPTA Overview	What are the voluntary state engagements?	In 2019, CMS launched the voluntary state engagements to provide SBEs with an opportunity to engage voluntarily with CMS to prepare for future 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. Ten SBEs participated in various levels of engagement. All voluntary state engagements will terminate on or before the end of CY 2023.
3.	IPPTA Overview	Is it mandatory for SBEs to participate in IPPTA?	Yes. CMS determined that all SBEs need to participate in IPPTA to test the IPPTA review methodology with each SBE. In this way, all SBEs can collaborate with CMS and receive feedback on their current processes without the IPPTA review contributing to an estimated improper payment rate.
4.	IPPTA Overview	What will CMS do with an SBE’s feedback on IPPTA’s processes and procedures?	CMS will review each SBE’s feedback to aid in the development of an efficient measurement process in the planned measurement program. CMS also will provide a summary of the SBE’s feedback and recommendations on how to improve the tools and processes for the planned measurement program in the SBE-specific IPPTA report that the SBE will receive during the Closeout and IPPTA Report process.

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5.	IPPTA Overview	Will CMS calculate an improper payment rate or amount for SBEs either individually or in aggregate using data submitted by SBEs during IPPTA?	No. CMS will not calculate an improper payment rate or amount for SBEs, individually or in aggregate, using data submitted by SBEs during IPPTA.
6.	IPPTA Overview	What are the timeframes for the IPPTA periods?	There are two IPPTA periods, and each IPPTA period is two calendar years (CY) in duration. The first IPPTA period is CY 2024 - 2025, and the second IPPTA period is CY 2025 - 2026.
7.	IPPTA Overview	How will SBEs know in which period to participate in IPPTA?	CMS will assign each SBE to either IPPTA group A or B. Group A will participate in the CY 2024 - 2025 IPPTA period. Group B will participate in the CY 2025 - 2026 IPPTA period.
8.	IPPTA Overview	Is it possible for an SBE to complete its IPPTA period sooner than the anticipated two calendar year period?	There is sufficient flexibility in this process that conceivably, the SBE could plan to complete, and achieve completion of all the required processes within the span of one year if the SBE was able to dedicate the time and resources that would be so required. CMS is committed to working with SBEs to address burden and resources during the orientation and planning processes, which would allow SBEs to complete IPPTA.
9.	IPPTA Overview	How did CMS determine the composition of IPPTA groups?	As of Benefit Year (BY) 2024, there will be 19 SBEs in operation that will be separated into two groups. To maintain a relative equivalency across the two groups, CMS considered APTC outlays, policy counts, geographic location, and prior participation in voluntary state engagement. See section 1.6 of the IPPTA Guide for SBEs identify the SBE assignments for each group.
10.	IPPTA Overview	Will CMS permit an SBE to change groups?	No. CMS carefully balanced the SBE groupings. CMS will work with SBEs to identify and address challenges to their participation.
11.	IPPTA Overview	Are there required activities for SBEs assigned to Group A during CY 2026 after they complete their IPPTA period? Are there required activities for SBEs assigned	There are no required activities for SBEs either before they begin their IPPTA period or after they finish their IPPTA period. CMS welcomes voluntary interaction with SBEs before or after their IPPTA periods and will be available to answer questions and receive

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		to Group B during CY 2024, since their IPPTA period will not begin until CY 2025?	additional SBE feedback on tools, processes, and procedures.
12.	IPPTA Overview	Will the data CMS collects during IPPTA duplicate other data CMS already collected for part 155, subpart M, general oversight and program integrity reporting purposes?	The programmatic and financial data CMS collects as part of the subpart M audit do not provide CMS with the information necessary to review an SBE’s determinations of APTC. For example, annual enrollment data and monthly reconciliation data do not provide information to the level of specificity required (such as dates that electronic eligibility verifications were made) to address issues related to APTC and its calculation. Annual enrollment data and monthly reconciliation data are collected <i>after</i> an applicant has been determined eligible for APTC. However, CMS needs pre-enrollment data (e.g., citizenship, social security number, residency, minimum essential coverage, special enrollment period circumstance, income, family size, and data matching inconsistencies related to document authenticity) that were used to verify an applicant’s eligibility <i>before</i> the application is approved. Collecting data that enables CMS to review APTC determinations is a necessary step toward identifying and measuring improper payments of APTC in the planned measurement program.
13.	IPPTA Overview	Do SBEs have to continue to meet other programmatic or financial audit requirements found in part 155, subpart M during IPPTA?	Yes. SBEs must continue to meet all the existing programmatic auditing requirements under § 155.1200 while participating in IPPTA. IPPTA is not an audit program but instead is designed to test processes and procedures that support CMS’s review of determinations of APTC made by SBEs for the planned measurement of improper payments.
14.	IPPTA Overview	What are the processes and procedures of IPPTA?	The IPPTA processes and procedures include: <ul style="list-style-type: none"> • Orientation and planning; • Submission of data documentation; • Completion and submission of IPPTA Data Request Form (DRF); • IPPTA scenario-based sampling; and • SBE closeout and IPPTA report.

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15.	Orientation and planning	What are the activities of the IPPTA orientation and planning processes?	During the IPPTA orientation and planning processes, CMS will provide each SBE with an overview of the IPPTA processes and procedures. For example, CMS will review the submission requirements and timelines for each SBE to transfer its application data and data documentation, i.e., an SBE’s data dictionary, entity relationship diagram, and business rules. Using feedback received from each SBE, CMS will develop an IPPTA plan specific to each SBE. The IPPTA plan will include a timeline for completing the required processes and procedures. CMS also will review data sharing agreements, where necessary. CMS will work with SBEs to address burden and resources during the orientation and planning processes.
16.	IPPTA plan	What is the IPPTA plan, and what information will it include?	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. A copy of the IPPTA plan template is in Appendix B.2 of the IPPTA Guide for SBEs.
17.	IPPTA plan	Will every SBE follow the same IPPTA plan?	No. As a part of the planning process, CMS, in collaboration with each SBE, will develop an IPPTA plan specific to that SBE that takes into consideration relevant activities, if any, which were completed during voluntary state engagement. While adhering to the same general process enumerated in §155.1515, each SBE-specific plan will have its specific points of contact, meeting schedules, and agreed upon timetables for data exchanges within overall program parameters. In determining the meeting schedule and timetables, CMS will take into account SBE feedback to minimize burden. CMS will update the SBE’s IPPTA plan throughout the SBE’s IPPTA period.
18.	IPPTA plan	Will CMS publish or otherwise share SBE-specific IPPTA plans?	The SBE-specific IPPTA plan is for internal use by CMS and an SBE and will not be made available to the public, unless otherwise required by law.

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19.	IPPTA checklist	What is the IPPTA checklist, and what information will it include?	<p>The IPPTA checklist is created from a template that CMS will tailor to each SBE. It is divided into five categories:</p> <ol style="list-style-type: none"> 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 <p>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.</p>
20.	IPPTA checklist	How will CMS use the IPPTA checklist?	<p>CMS will use the IPPTA checklist to review and document an SBE’s completion of IPPTA requirements. CMS also will use the IPPTA checklist during orientation and planning to evaluate the activities performed by SBEs during the voluntary state engagements and determine which of those activities satisfy IPPTA requirements. A copy of the IPPTA checklist template is in Appendix B.3 of the IPPTA Guide for SBEs.</p>
21.	IPPTA checklist	Will CMS allow SBEs to satisfy IPPTA requirements through activities undertaken during voluntary state engagements?	<p>Yes. Activities that SBEs successfully completed while participating in voluntary state engagements will not be duplicated as part of IPPTA unless there is an identified need that would be considered critical to the success of the program. CMS will work with SBEs during the orientation and planning processes to review the IPPTA checklist and to confirm the SBE’s completed activities. 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.</p>
22.	Data and data documentation	For which BY will an SBE be required to submit its application data and data documentation?	<p>SBEs assigned to Group A will submit their application data and data documentation for BY 2023, with the exception of the SBEs from California and Maryland where data will be sourced from BY2020. SBEs assigned to Group B will submit their application data and data documentation for BY2024.</p>

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23.	Data and data documentation	What data documentation is an SBE required to submit to CMS?	<p>An SBE is required to submit the following data documentation to CMS by the deadline in the SBE-specific IPPTA plan:</p> <ul style="list-style-type: none"> • The SBE’s data dictionary including attribute name, data type, allowable values, and description • An entity relationship diagram, which shall include the structure of the data tables and the residing data elements that identify the relationships between the data tables • The SBE’s business rules and related calculations
24.	Data and data documentation	Will CMS require an SBE to submit its data documentation in a specific format?	No. An SBE may submit its data documentation in whatever format the SBE currently is using (e.g., Adobe Acrobat, MS Word, MS Excel).
25.	Data and data documentation	What is the IPPTA 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 IPPTA DRF tabs specify the data CMS needs to conduct all review units in a Review Module Document (RMD) specific to the SBE.
26.	Data and data documentation	If an SBE is not able to identify a requested information element or doesn’t collect the information element requested, what should the SBE do?	If the SBE does not have a source data element that is equivalent to a specific IPPTA DRF information element or is having trouble interpreting what data is requested in an information element, CMS encourages the SBE to consult with CMS to determine whether the state has a corresponding data element within their data structure, or whether an addition to the SBE’s data model is needed.
27.	Data and data documentation	Did CMS consider allowing an SBE to submit its application data in an unstructured format for CMS to map to the IPPTA DRF?	Yes, CMS considered several data collection options and chose the option that provides SBEs with the greatest amount of control in aligning their source data to the requested data elements. When considering allowing an SBE to submit unstructured data, CMS determined it would result in SBEs needing to meet more often with CMS and engage at a higher level of intensity with CMS. CMS invited

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			public comment on this data collection option and potential alternative data collection options. CMS did not receive any comments on the data collection alternative option.
28.	Data and data documentation	What application data is an SBE required to submit to CMS during the scenario-based sampled unit data phase?	SBEs will select application data associated with no fewer than 10 tax household identification numbers and the associated policy identification numbers that address scenarios specified by CMS. The scenarios are specified in Appendix F of the IPPTA Guide for SBEs.
29.	Data and data documentation	What will CMS do with the SBE's application data submitted in the IPPTA DRF?	Using the SBE's application data, CMS will first run the IPPTA review procedures against the SBE's data to determine whether the SBE has provided CMS with the data necessary to test CMS's review processes and procedures. Once CMS has determined the SBE has submitted the data necessary to test CMS's review processes and procedures, CMS will then conduct tests to verify that an SBE is correctly following federal regulations and the SBE's business rules and will identify potential anomalies.
30.	Data security	How will CMS ensure the security of SBE eligibility and enrollment data during transmission or processing?	Eligibility and enrollment data must be handled in accordance with the Minimum Acceptable Risk Standards for Exchanges (MARS-E). To support this requirement, CMS will provide access to a CMS-controlled file sharing service and establish a secure file transfer protocol (SFTP) route for secure submission of application data and data documentation.
31.	Data storage and disposition	What will CMS do with an SBE's application data and data documentation at the conclusion of the IPPTA period?	CMS will retain IPPTA data and data documentation in accordance with standard federal record management guidelines and dispose of them at the end of the required retention period.
32.	SBE closeout and IPPTA report	What are the activities of the SBE Closeout and IPPTA Report process?	The activities of the SBE Closeout and IPPTA Report process include CMS conducting a retrospective review with each SBE to discuss lessons learned and to provide observations and recommendations to enhance readiness for the planned measurement program as well as CMS issuing an SBE-specific IPPTA report.

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33.	SBE closeout and IPPTA report	What is the IPPTA report, and what information will it include?	<p>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:</p> <ul style="list-style-type: none"> • 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 <p>A copy of the IPPTA report template is in Appendix B.4.</p>
34.	SBE closeout and IPPTA report	Will the SBE-specific IPPTA report contain corrective actions for the SBE to address?	The SBE-specific IPPTA report will not contain corrective actions for the SBE to address. The observations and recommendations are intended as considerations for system and process improvements that, if implemented, would improve SBE operations and reduce future improper payments.
35.	SBE closeout and IPPTA report	Will there be an opportunity for an SBE to discuss CMS’s observations or recommendations before CMS finalizes the SBE-specific IPPTA report?	Yes. Prior to finalizing the SBE-specific IPPTA report, CMS will discuss its observations with the SBE and gather feedback on observations the SBE believes are incorrect or where the SBE would like to provide additional context for reviews that CMS was not able to perform.
36.	SBE closeout and IPPTA report	Will CMS publish the SBE-specific IPPTA reports?	No. The SBE-specific IPPTA report is for internal use by CMS and an SBE and will not be made available to the public unless otherwise required by law.
37.	General	If an SBE has questions regarding completing IPPTA processes and procedures, what mechanism should an SBE use to contact CMS?	To contact CMS with a question regarding IPPTA processes and procedures, an SBE should send an email to ippta@cms.hhs.gov and provide a valid email return address.