



**Centers for Medicare & Medicaid Services  
[OFM/PARG/DEERM]**

# **Improper Payment Pre-Testing and Assessment Guide for State-based Exchanges**

**Version 1.0**

**August 25, 2023**

## Record of Changes

Version	Date	Author / Owner	Description of Change	CR #
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0.50	04/19/2023	MITRE	MITRE edits based on DEERM edits and comments to version 0.25	
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CR=Change Request

### Procedures for Tracking Changes and Updating this Sub-Regulatory Guidance

The “Record of Changes” table above provides the following elements:

- Version
- Date
- Authors
- Description of change

When this sub-regulatory guidance is updated, the edits will appear in redlined text. SBEs can submit a request electronically<sup>1</sup> for CMS to issue, reconsider, modify, or rescind specific provisions of this sub-regulatory guidance.<sup>2</sup>

<sup>1</sup> For electronic submissions to CMS regarding IPPTA, please send email to: [ippta@cms.hhs.gov](mailto:ippta@cms.hhs.gov).

<sup>2</sup> 72 FR 3432, at 3440 Final Bulletin for Agency Good Guidance Practices

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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.<sup>3</sup> 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, CMS, and its contractors.

The Centers for Medicare & Medicaid Services (CMS) established the Exchange Improper Payment Measurement (EIPM) program to measure improper payments for Federally-facilitated Exchanges (FEEs) 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 FEEs 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.<sup>4</sup> 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.<sup>5</sup>

## 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 September 13, 2023, 10 of the 18 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.<sup>6</sup> 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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<sup>3</sup> 31 U.S.C. § 3352(a)(1)(B)

<sup>4</sup> 87 Fed. Reg. at 27280 (May 6, 2022)

<sup>5</sup> 88 Fed. Reg. at 25840 (Apr. 27, 2023)

<sup>6</sup> [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 of the IPPTA Sub-Regulatory Guidance

The Improper Payment Pre-Testing and Assessment Guide for State-based Exchanges (IPPTA Guide for SBEs) describes CMS's policies and interpretations of the requirements of IPPTA. The purpose of this guidance is to provide clarification and additional explanation of IPPTA policies to aid SBEs in meeting the requirements of IPPTA.<sup>7</sup>

### 1.4 Statutory and Regulatory Authorities and Framework

PIIA, 31 USC §§ 3301 and 3352, provides the general authority for the Secretary to collect data from Exchanges to determine whether APTC determinations made by the Exchanges are identified as improper under federal law. The Affordable Care Act, 42 USC § 18033, provides the Secretary with general oversight authority and authority to conduct audits of Exchanges to ensure their financial integrity.

Unless otherwise noted, the requirements found in this guidance are effective for CYs 2024 through 2026. This guidance implements the requirements in the federal regulations at 45 CFR, Part 155, subpart P. In accordance with the Office of Management and Budget (OMB) Circular A-123, Appendix C (2021), throughout this guidance, the terms “must,” “will,” “shall,” “require(s),” and “is required” denote a requirement found in the federal regulations that applies in all cases. “May” or “could” indicate best practices that may be adopted at the discretion of the SBE. This guidance contains important terms and definitions. An SBE should consult the terms and definitions below in conjunction with the definitions in 45 CFR, Part 155.

[Subpart P of Part 155](#) uses the terms “pre-testing and assessment” to describe various documents or timespans including the checklist, the data request form (DRF), the period, the plan, and the report. For the purposes of this guidance, CMS has shortened “pre-testing and assessment” to “IPPTA.” For example, “pre-testing and assessment plan” appears in this guidance as “IPPTA plan.”

### 1.5 Purpose and Scope of IPPTA § 155.1500

IPPTA identifies three fundamental objectives:

1. Prepare SBEs for the planned measurement of improper payments,
2. Create and test processes and procedures that support CMS's review of determinations of APTC made by SBEs,
3. Provide a mechanism for CMS and SBEs to share information that will aid in developing an efficient measurement process.

IPPTA will not produce an improper payment amount or rate for SBEs. Additionally, IPPTA will not publicly report observations or recommendations unless otherwise required by law.<sup>8</sup> Rather, CMS will review the data and information collected during IPPTA, including SBE feedback, to determine the effectiveness of proposed technology, tools, and data collection methods. This will assist CMS to inform the development of the planned measurement program. Furthermore,

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<sup>7</sup> The IPPTA requirements found in [part 155, subpart P](#) are applicable to State-based Exchanges that have been approved in accordance with 45 CFR § 155.105 and § 1311 of the Affordable Care Act.

<sup>8</sup> 45 CFR § [155.1515\(g\)](#)

CMS will provide information to SBEs on their assessment and offer observations and recommendations that will allow the states to reduce potential improper payments.

## 1.6 Grouping of SBEs for IPPTA Periods

CMS will select each SBE to participate in either IPPTA group A or B during the IPPTA period which may last up to two calendar years for SBEs in each group.<sup>9</sup> Tables 1 and 2 below identify the SBE assignments for each group as well as the benefit year that CMS will assess.<sup>10</sup> In situations where an SBE submitted data during the piloting option in the voluntary state engagement initiative for a benefit year other than 2023 or 2024, and where review processes were not able to be completed due to sunseting of voluntary state engagement activities, CMS will incorporate the previously submitted data to satisfy IPPTA data submission requirements.<sup>11</sup> Similarly, in situations where data was submitted by an SBE, but the data was not sufficient to execute CMS’s review processes, CMS will incorporate the previously submitted data into IPPTA and continue working with the SBE for the purpose of satisfying IPPTA data submission requirements. CMS will request data from SBEs during IPPTA in order to achieve a completed<sup>12</sup> IPPTA DRF in accordance with IPPTA requirements. Our general position is that an SBE that submitted data while participating in the piloting option of voluntary state engagement will not be required to submit new data for a more recent benefit year as part of IPPTA. SBEs that did not submit data as part of voluntary state engagement are required to submit data for the benefit year most recent to their designated IPPTA period. SBEs that submitted data during the piloting option of voluntary state engagement are indicated in the tables by an asterisk (\*).

**Table 1. IPPTA Group A – January 1, 2024 through December 31, 2025**

State	Benefit Year Assessed
CA*	2020
CO	2023
NV	2023
MD*	2020
ID	2023
MN	2023
NM	2023
RI	2023

<sup>9</sup> Some SBEs that participated in voluntary state engagements may have performed activities, which may satisfy some IPPTA requirements, thereby shortening their IPPTA periods to less than two calendar years.

<sup>10</sup> Group assignments may be adjusted at the discretion of CMS.

<sup>11</sup> 88 Fed. Reg. 25843

<sup>12</sup> A “completed IPPTA DRF” means the application data submitted in the IPPTA DRF by an SBE will allow CMS to conduct all the IPPTA review processes.



State	Benefit Year Assessed
VT	2023

**Table 2. IPPTA Group B – January 1, 2025 through December 31, 2026**

State	Benefit Year Assessed
CT	2024
ME	2024
MA	2024
NJ	2024
KY	2024
NY	2024
PA	2024
VA	2024
WA	2024
DC	2024

## 1.7 IPPTA High-level Timeline of Activities During an IPPTA Period

Figure 1 provides a high-level timeline of IPPTA activities for Groups A and B during an IPPTA period. Even though Group A and B begin their two-year IPPTA periods in different calendar years, the activities that will take place - and the general timeline during which those activities will take place - are the same. This guidance provides greater detail relative to each of the activities on the timeline.

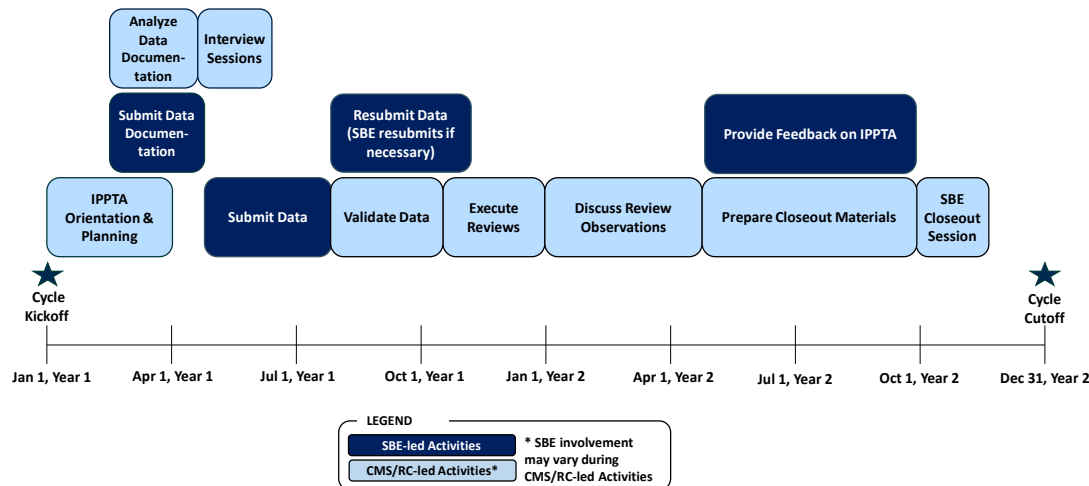


Figure 1. IPPTA High-level Timeline of Activities During an IPPTA Period

## 1.8 Definitions

This subsection provides a selection of key definitions found in the federal regulations that are applicable to IPPTA reviews as well as other definitions that describe certain CMS documents and web-based applications that will be used during an SBE's IPPTA period.

### 1.8.1 Definitions 45 CFR §§ 155.20, 155.300, and 155.1505

As used in the definition sections of subparts A, D, and P of the federal regulation at 45 CFR §§ [155.20](#), [155.300](#), and [155.1505](#) the following terms have the following meanings

**Advance Payments of the Premium Tax Credit (APTC)** means payment of the tax credit authorized by [26 U.S.C. § 36B](#) and its implementing regulations, which are provided on an advance basis to an eligible individual enrolled in a QHP through an Exchange in accordance with section 1412 of the Affordable Care Act.

**Benefit year** means a calendar year for which a health plan provides coverage for health benefits.

**Business rules** means the State-based Exchange's internal directives defining, guiding, or constraining the State-based Exchange's actions when making eligibility determinations and related APTC calculations.

**Entity relationship diagram** means a flowchart or similar graphical representation illustrating the organization and relationship of the data elements that are pertinent to applications for QHP

and associated APTC payments. The entity relationship diagram shall include the structure of the data tables and the residing data elements that identify the relationships between the data tables.

**Federal poverty level or FPL** means the most recently published Federal poverty level, updated periodically in the Federal Register by the Secretary of Health and Human Services under the authority of [42 U.S.C. § 9902\(2\)](#), as of the first day of the annual open enrollment period for coverage in a QHP through the Exchange, as specified in [§ 155.410](#).

**Minimum essential coverage** has the meaning given in section 5000A(f) of the Internal Revenue Code.

**Pre-testing and assessment** means the process that uses the procedures specified in § 155.1515 to prepare State-based Exchanges for the planned measurement of improper payments of APTC.

**Pre-testing and assessment checklist** means the document that contains criteria that HHS will use to review a State-based Exchange's ability to accomplish the requirements of the IPPTA.

**Pre-testing and assessment data request form** means the document that specifies the structure for the data elements that HHS would require each State-based Exchange to submit.

**Pre-testing and assessment period** means the two calendar-year timespan during which HHS will engage in pre-testing and assessment procedures with a State-based Exchange.

**Pre-testing and assessment plan** means the template developed by HHS in collaboration with each State-based Exchange enumerating the procedures, sequence, and schedule to accomplish pre-testing and assessment.

**Pre-testing and assessment report** means the summary report provided by HHS to each State-based Exchange at the end of the State-based Exchange's pre-testing and assessment period that will include, but not be limited to, the State-based Exchange's status regarding completion of each of the pre-testing and assessment procedures specified in § 155.1515, as well as observations and recommendations that result from processing and reviewing the data submitted by the State-based Exchange to HHS.

**Qualified health plan or QHP** means a health plan that has in effect a certification that it meets the standards described in subpart C of part 156 issued or recognized by each Exchange through which such plan is offered in accordance with the process described in subpart K of part 155.

**Special enrollment period** means a period during which a qualified individual or enrollee who experiences certain qualifying events may enroll in, or change enrollment in, a QHP through the Exchange outside of the initial and annual open enrollment periods.

## 1.8.2 Other Definitions

The following definitions describe CMS documents and web-based applications that will be used by SBEs during IPPTA:

**CMS Box** means the file-sharing application that CMS has licensed to accomplish secure file transfers with regulated entities and business partners.

**Review Module Document (RMD)** means the document that provides the specific review requirements that CMS will use to evaluate the application data provided by the SBE using the DRF.

***SBE-specific Review Module Document*** means the document containing the set of SBE-specific review requirements that CMS will use to evaluate an SBE's sampled unit records, which may include modifications that reflect state-specific policies or business rules.

## 2. IPPTA Processes and Procedures § 155.1515

### 2.1 Overview

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 will collect and review 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
- SBE Closeout and IPPTA Report

Sections 3 - 6 describe the IPPTA processes and procedures in detail. Appendix C includes a table that describes a selection of documents that CMS will use as part of the IPPTA processes and procedures.

## 3. Orientation and Planning

### 3.1 Orientation and Planning Processes § 155.1515(b)

During the first month of the first year of each IPPTA period, CMS will conduct the IPPTA orientation and planning processes that addresses the following topics:

- Overview of IPPTA
- Points of contact
- Communication preferences and norms
- IPPTA processes, procedures, and requirements
- Timeline
- Data and related documentation that an SBE must provide to CMS for pre-testing and assessment
- Logistics for establishing connectivity to CMS for data exchange
- IPPTA plan
- IPPTA checklist

### 3.2 IPPTA Plan §§ 155.1515(b)(2) - 155.1515(b)(3)

As a part of the planning process, CMS, in collaboration with each SBE, will develop an IPPTA plan enumerating the procedures, sequence, and schedule to accomplish IPPTA requirements.<sup>13</sup> While adhering to the same general process enumerated in §155.1515, each SBE will have its specific points of contact, meeting schedules, agreed upon timetables for data exchanges, etc. within overall program parameters. These variations will be captured in the SBE's IPPTA plan. In determining the schedule of activities, CMS will take into account SBE feedback in an effort to minimize burden. The IPPTA plan also will include the IPPTA checklist. A copy of the IPPTA plan template is available in Appendix B.2.

### 3.3 IPPTA Checklist § 155.1515(f)

The IPPTA checklist is the document that contains the criteria CMS will use to review and document an SBE's completion of IPPTA requirements. A copy of the IPPTA checklist template is available in Appendix B.3.

In addition to using the IPPTA checklist to monitor and document an SBE's completion of IPPTA requirements, CMS also will use the IPPTA checklist to determine which activities completed during voluntary engagement will satisfy IPPTA requirements. CMS will work with SBEs during the orientation and planning processes to review the checklist and to confirm the SBE's completed activities. However, SBEs that did not participate in voluntary engagement must complete all IPPTA processes and procedures.

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<sup>13</sup> See § 3.3 for a description of how an SBE's IPPTA plan will take into consideration relevant activities, if any, the SBE completed during a prior, voluntary state engagement.

During the orientation and planning processes, CMS will provide each SBE an initial IPPTA checklist as part of its IPPTA plan (See section 3.2). The initial IPPTA checklist will include the SBE activities completed during voluntary engagement, if any, that satisfy IPPTA requirements. At the closeout of an SBE's IPPTA period and as part of the SBE's IPPTA report (See section 6), CMS will provide each SBE with a final IPPTA checklist that contains an assessment of the SBE's ability to complete IPPTA requirements.

The IPPTA checklist is divided into five categories as shown in Table 3. Each of the five categories is described briefly in Table 3 and in more detail, including the objective or objectives that will be measured in each category, in sub-sections 3.3.1 through 3.3.5.

**Table 3. IPPTA Checklist Categories**

#	IPPTA Category	Description
I	Participation in IPPTA Orientation and Planning Processes	During the IPPTA orientation and planning processes, CMS collaborates with the SBE to refine its IPPTA plan and reviews agreements and processes to share data and data documentation. The IPPTA plan details the procedures, sequence, and schedule to accomplish required activities during the IPPTA period.
II	SBE-specific RMD Development and Acknowledgement	The SBE submits data documentation to CMS to support the incorporation of SBE-specific policies and business rules into the improper payment review architecture using the RMD as a framework. CMS uses the analysis of the data documentation submitted by the SBE to determine the SBE-specific review criteria for the SBE-specific RMD. The SBE reviews the RMD, which provides context to the SBE for data mapping and data submission tasks as well as the review execution process.
III	Mapping SBE Data to IPPTA DRF	CMS requires sample data for the improper payment review process. A prerequisite to data submission involves an SBE mapping source data elements from its systems to the IPPTA DRF information elements. The IPPTA DRF is a multi-tab Excel spreadsheet and includes fields for information elements that correspond to the review criteria in the RMD.
IV	Submission of Pre-sampling and Sampled Unit Data	The SBE practices the data submission process by completing the IPPTA DRF pre-sampling and sampled unit record tabs. For the sampled unit data, CMS will specify scenario-based sampling criteria to help the SBE identify a diverse set of sample units that will allow CMS to test all IPPTA review requirements in the SBE-specific RMD.
V	Discussion of Review Observations	CMS provides its observations that result from reviewing and processing the SBE's submitted data, and consumer-submitted documents. CMS and the SBE will discuss the reasons for the observations and modify, if warranted. The SBE may provide additional information or clarifications, which CMS will use to re-evaluate observations.

### 3.3.1 Checklist Category I: Participation in IPPTA Orientation and Planning Processes

During the IPPTA orientation and planning processes, as outlined in 45 CFR § 155.1515(b) and sections 3.1 and 3.2 above, CMS will:

- Provide each SBE with an IPPTA plan template.
- Review agreements and processes to share data and data documentation.
- Work collaboratively with the SBE to refine the SBE-specific IPPTA plan including the sequence and schedule to accomplish required IPPTA activities during the IPPTA period.
- If not already established, work with the SBE to create a Data Use Agreement or an Information Exchange Agreement to facilitate the transfer of information with CMS.
- Assist the SBE in establishing a Secure File Transfer Protocol (SFTP) to transmit documentation to CMS.

CMS will use the checklist to measure the following objectives in IPPTA Category I – Participation in IPPTA Orientation and Planning Processes:

- The SBE collaborated with CMS to refine its IPPTA plan.
- The appropriate agreement(s) between the SBE and CMS are in place to share data and data documentation.
- The SBE set-up and tested connectivity to the designated CMS systems for data and data documentation transfer.

### 3.3.2 Checklist Category II: SBE-Specific RMD Development and Approval

During the IPPTA submission of data documentation including SBE-specific policies and business rules as outlined in § 155.1510(a)(1) and section 4 below, SBEs will submit data documentation to CMS to support the incorporation of SBE-specific policies and business rules into the improper payment review architecture using the RMD as a framework. CMS will analyze the SBE's data documentation submission to determine the SBE-specific review criteria as outlined in the SBE-specific RMD. The SBE will review the SBE-specific RMD, which will provide context to the SBE for the data mapping and data submission tasks as well as for the review process.

CMS will use the checklist to measure the following objectives in IPPTA Category II – SBE-specific RMD Development and Acknowledgement:

- The 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
- The SBE responded to CMS's questions and requests for clarification related to data documentation.



- The SBE reviewed and acknowledged the SBE-specific RMD that CMS created based on the SBE's specific business rules and policies.

### **3.3.3 Checklist Category III: Mapping SBE Data to IPPTA Data Request Form (DRF)**

CMS requires sample data for the improper payment review process. A prerequisite to data submission requires mapping source data elements from SBE systems to the IPPTA DRF information elements as outlined in § 155.1510(a)(2) and section 5.4 below. CMS will work with the SBE to identify and resolve technology, data mapping, data transfer, and/or other issues that the SBE encounters.

CMS will use the checklist to measure the following objective in IPPTA Category III – Mapping SBE Data to IPPTA DRF:

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

### **3.3.4 Checklist Category IV: Submission of Pre-sampling and Sampled Unit Data**

SBEs will practice the data submission process, as outlined in section 5.3 below, by completing the IPPTA DRF pre-sampling and sampled unit record tabs. The pre-sampling data will serve as a sampling frame for a planned measurement program against which CMS would draw a sample for a statistically valid improper payment measurement report. For the sample unit data, CMS will specify scenario-based sampling criteria to help SBEs select a diverse set of sample units that will allow CMS to test all IPPTA review requirements found within the SBE-specific RMD.

CMS will use the checklist to measure the following objectives in IPPTA Category IV - Submission of Pre-sampling and Sampled Unit Data:

- The SBE completed the pre-sampling tab.
- The SBE identified the applications that collectively meet all of the scenario-based criteria specified by CMS.
- The 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.
- The 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.

### **3.3.5 Checklist Category V: Discussion of Review Observations**

During the review process, CMS will provide its observations that result from reviewing and processing the SBE's submitted data and consumer submitted documents. CMS and SBEs will discuss the reasons for the observations and modify, if warranted. These discussions may provide additional information or clarifications which CMS will use to re-evaluate observations.

CMS will use the checklist to measure the following objective in IPPTA Category V – Discussion of Review Observations:

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

### **3.4 Notifications § 155.1515(c)(1)**

As needed throughout the IPPTA period, CMS will issue notifications to SBEs concerning information related to the IPPTA processes and procedures. A copy of the IPPTA notification template is available in Appendix B.1.

### **3.5 Updates § 155.1515(c)(2)**

Throughout the IPPTA period, SBEs must provide updates to CMS with information regarding any operational, policy, business rules, information technology, or other changes that may impact the ability of the SBE to satisfy the IPPTA requirements. CMS anticipates that SBEs will make periodic changes that could affect an SBE’s eligibility determinations, payment calculations, or other decisions relating to IPPTA. Such changes also could impact CMS’s observations or recommendations regarding SBE APTC determinations. For example, changes to the SBE’s technical platform or modifications to its policies or procedures may impact specific review requirements, the data to be reviewed, and ultimately an SBE’s eligibility determinations. Likewise, changes regarding naming conventions or definitions of specific data elements used in IPPTA could impact CMS’s ability to correctly assess APTC determinations due to potential misalignment of data definitions and values. The SBEs will provide any updated technical documentation or identify any key programmatic changes in SBE operations within 60 calendar days of such modifications or changes.

## 4. Submission of Data Documentation

### 4.1 Types of Data Documentation § 155.1510(a)(1)

In accordance with 45 CFR § 155.1510(a)(1), an SBE is required to submit to CMS by the deadline in the IPPTA plan the following documentation for their data:

- 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
- Business rules and related calculations

Each of the data terms above have their usual and customary meaning. “Business rules” and “entity relationship diagram” are defined in the regulation at 45 CFR § 155.1505 and are included in the definitions in section 1.8.1 above.

SBEs with questions about the data documentation that must be submitted to CMS or the meaning of these data terms should submit an email to [ippta@cms.hhs.gov](mailto:ippta@cms.hhs.gov).

### 4.2 Format to Submit Data Documentation

SBEs may submit their data documentation as defined 45 CFR § 155.1505 in whatever format is currently used by the SBE, for example, Adobe Acrobat, MS Word, MS Excel, and Visio.

### 4.3 Timing and Due Dates 45 CFR § 155.1510(b)

An SBE must submit the data documentation as specified in 45 CFR § 155.1510(a)(1) and the application data associated with no fewer than 10 tax households as specified in 45 CFR § 155.1510(a)(2) within the timelines incorporated in the SBE-specific IPPTA plan in accordance with 45 CFR § 155.1515. While the specific timeframes for submission of data documentation and application data associated with no fewer than 10 tax households will be worked out between CMS and each SBE during the IPPTA orientation and planning processes, the IPPTA High-level Timeline in sub-section 1.7 provides the general timeframes for activities, including submission of application data and data documentation, that will take place during an IPPTA period. Exact timeframes for submission of data documentation and application data by each SBE may vary depending on the SBE’s participation in voluntary state engagement.

### 4.4 Data Security

Eligibility and enrollment data must be handled in accordance with the Minimum Acceptable Risk Standards for Exchanges (MARS-E).<sup>14</sup> To support this requirement, CMS will establish an SFTP for SBEs participating in IPPTA for use in uploading the completed DRF including consumer submitted documentation using the CMS-provided SFTP. Specific instructions will be provided to each SBE during IPPTA planning.

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<sup>14</sup> [Minimum Acceptable Risk Standards for Exchanges \(MARS-E\)](#).

CMS may also provide access to a separate CMS-controlled file sharing service for secure submission of supplemental documentation as needed. The specific SFTP and instructions may change over time due to ongoing technical and process improvements in IPPTA including potential use of alternative file sharing services. CMS will provide preliminary instructions to the SBE for submitting its application data or data documentation during the IPPTA planning process. If needed due to changes in data security policies, CMS will provide SBEs with updated instructions when an SBE needs to submit its data, data documentation, or consumer-submitted documentation for CMS to conduct the IPPTA reviews.

## 5. Completion and Submission of IPPTA DRF

### 5.1 Overview of IPPTA DRF

The IPPTA DRF is specified in the IPPTA regulation (45 CFR § [155.1510\(a\)\(2\)](#)) and accompanying Paperwork Reduction Act (PRA) package ([OMB Control No. 0938-1439](#)). The IPPTA DRF is the primary tool used by CMS to collect data from SBEs for the purposes of data compliance with the IPPTA regulation. CMS developed the IPPTA DRF to enable CMS and the SBEs to speak the same language, since SBEs may define and identify data elements differently. The IPPTA DRF was submitted to and approved by the Office of Management and Budget for the collection of data from SBEs for IPPTA under OMB control number 0938-1439.

The IPPTA DRF is an MS Excel workbook. The workbook contains multiple tabs with instructions that detail the requirements for completion of each tab. The last tab of the workbook provides a data dictionary. The "Data Dictionary" tab provides the definitions for each of the requested data elements. The IPPTA DRF tabs collectively specify the data elements that CMS needs to conduct all review units within an SBE-specific RMD.

If CMS updates the IPPTA DRF, CMS will provide SBEs with those updates along with any supplemental instructions to be applied during the SBE's IPPTA period.

### 5.2 Use of Scenario-based Sampling for IPPTA DRF Application Data

IPPTA requires each SBE to use the IPPTA DRF to submit to CMS the application data associated with no fewer than 10 tax household identification numbers and the associated policy identification numbers. The application data associated with these tax household identification numbers and associated policy identification numbers must address scenarios specified by CMS (see Appendix F, IPPTA Scenario-based Sampling) to allow CMS to test IPPTA processes and procedures.<sup>15</sup>

As stated in IPPTA, "application data associated with no fewer than 10 tax households" means "the record of a tax household that applied for and was determined eligible to enroll in a QHP and was determined eligible to receive APTC in an amount greater than \$0."<sup>16</sup> For purposes of IPPTA, CMS refers to these selected records as the "sample" or "sampled unit data."

To simplify selecting the "sample" for IPPTA, CMS has developed a set of defined scenarios to guide the SBEs. This selection method replaces more complex statistical sampling methods planned for the operational SEIPM program, thereby reducing burden on the SBEs during IPPTA. Appendix F describes the Scenario-based Sampling Approach in greater detail.

### 5.3 Completing the IPPTA DRF

The IPPTA DRF has a tab labeled "Instructions" that lays out two steps or "phases" for the SBE to complete the DRF:

- Phase 1: submission of "pre-sampling" data

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<sup>15</sup> 45 C.F.R. §[155.1510\(a\)\(2\)](#)

<sup>16</sup> [88 FR 25740, at 25841](#)

- Phase 2: submission of “scenario-based sampled unit” data

The “Instructions” tab identifies each tab of the workbook by “Tab Name,” for example, “Policy,” “Tax Filing,” “Member Demographics,” and “Verification Events” are several of the tabs among other tabs. The “Instructions” tab provides detailed instructions for each specific tab. Each “Tab Name” found in Column A of the “Instructions” tab is a clickable link that takes the data analyst to that specific tab of the workbook. Each tab of the workbook contains columns listing the required data elements, which are also clickable links that connect the data analyst to a description of that data element in the Data Dictionary.

To assist SBEs to understand and apply the instructions to their source data, CMS developed Appendix E, Understanding the IPPTA DRF, that supplements the “Instructions” tab of the IPPTA DRF. Appendix E provides contextual information about each tab, identifies the data sought by each tab, gives examples of how the data sought in each tab will be used in the IPPTA review process, and gives examples, where applicable, of how the data sought in each tab relate to CMS’s scenarios. Moreover, CMS will develop and provide to SBEs an IPPTA DRF Job Aid to assist SBEs with completing the IPPTA DRF. The IPPTA DRF Job Aid will be in a modular format and each module can be reviewed separately.

## 5.4 Mapping SBE Data Elements to IPPTA DRF

To facilitate the pre-testing and assessment, SBEs must submit data documentation and must map the SBE’s data elements to the data elements and structure of the IPPTA DRF. The SBE must submit its data dictionary and entity-relationship diagram, outlined in section 4.1, for this purpose. If the SBE does not have a source data element that is equivalent to a specific IPPTA DRF data element, CMS encourages the SBE to consult with CMS to assist in the data mapping process.

## 5.5 Method for Submitting Application Data Using the IPPTA DRF § 155.1510(a)(2)

An SBE must use the IPPTA DRF to submit to CMS the application data associated with no fewer than 10 tax household identification numbers and the associated policy identification numbers that address the scenarios specified by CMS in Appendix F.3 of this guidance to allow CMS to test all the IPPTA processes and procedures. An SBE must use the SFTP described in section 4.4, Data Security, to submit the DRF.

For each of the tax households, an SBE must align their source data elements to, and populate those data elements in, the IPPTA DRF with the assistance of CMS. CMS requires that the SBE electronically transmit the completed IPPTA DRF to CMS within the deadline specified in the IPPTA plan. Once CMS receives the transmission from the SBE, CMS will execute the IPPTA processes and procedures on the application data submitted.

## 6. SBE Closeout and IPPTA Report

CMS's closeout activities of IPPTA for each SBE include 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 issuing an SBE-specific IPPTA report. The discussion and material reviewed will serve as a preview for the SBE of what will be included in their IPPTA report and give them another opportunity to provide their general feedback on the IPPTA process and the review process. A copy of the IPPTA report template is available in Appendix B.4. CMS will review feedback from the retrospective reviews to aid in the development of an efficient measurement process for the planned measurement program.

The SBE-specific IPPTA report summarizes 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

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

## Appendix A. Abbreviations and Acronyms

<b>Term</b>	<b>Definition</b>
<b>AFR</b>	Agency Financial Report
<b>APTC</b>	Advance payments of premium tax credit
<b>CMS</b>	Centers for Medicare & Medicaid Services
<b>DRF</b>	Data Request Form
<b>ERD</b>	Entity Relationship Diagram
<b>HHS</b>	(Department of) Health and Human Services
<b>IPPTA</b>	Improper Payment Pre-Testing and Assessment
<b>MARS-E</b>	Minimum Acceptable Risk Standards for Exchanges
<b>MEC</b>	Minimum Essential Coverage
<b>MFT</b>	Managed File Transfer
<b>QHP</b>	Qualified Health Plan
<b>PRA</b>	Paperwork Reduction Act (of 1995)
<b>RMD</b>	Review Module Document
<b>SBE</b>	State-based Exchange
<b>SEIPM</b>	State-based Exchange Improper Payment Measurement
<b>SFTP</b>	Secure File Transfer Protocol



## **Appendix B. Document templates**

**B.1 IPPTA Notification Template**

**B.2 IPPTA Plan Template**

**B.3 IPPTA Checklist Template**

**B.4 IPPTA Report Template**

## Appendix C. IPPTA Document List

**Table 4. IPPTA Document List**

Document	Description	Creator
Business Rules	The SBE's internal directives defining, guiding, or constraining the SBE's actions when making eligibility determinations and related APTC calculations (e.g., internal directives, methodologies, algorithms, or policies that an SBE applies or executes on its own data to determine whether an applicant meets the eligibility requirements for a QHP and any associated APTC).	SBE
Entity Relationship Diagram	A graphical representation illustrating the organization and relationship of the data elements that are pertinent to applications for QHP and associated APTC payments.	SBE
IPPTA Plan	A plan that will be developed as part of the SBE orientation process. The plan will enumerate the procedures, sequence, and schedule to accomplish pre-testing and assessment and take into consideration relevant activities, if any, that were completed during a prior, voluntary, State engagement. It also would include the IPPTA checklist. CMS will issue the plan to each SBE at the end of the process. The plan would not be publicly available.	CMS in collaboration with each SBE
Review Module Document	A document that provides the specific review requirements that CMS will use to evaluate whether the sampled unit records provided by the SBE were determined correctly or contain review observations.	CMS
SBE-specific Review Module Document	The set of SBE-specific review units that CMS will evaluate for compliance	CMS
IPPTA DRF	A MS Excel Workbook that CMS will provide to SBEs to submit pre-sampling and scenario-based sampled unit data	CMS

## Appendix D. IPPTA Data Request Form (DRF)

<https://edit.cms.gov/files/document/data-request-form.xlsx>

## Appendix E. Understanding the IPPTA DRF

### Overview

Appendix E provides SBEs with contextual information regarding the data required by each tab of the Improper Payment Pre-Testing and Assessment Data Request Form (IPPTA DRF).

Appendix E also provides examples that explain how the data submitted by an SBE will be used in CMS's IPPTA review processes. Where applicable, CMS also provides examples of scenarios that focus on data matching inconsistencies, which may be useful to SBEs when selecting scenario-based sampled unit data described in section E.2. below.

CMS will develop and provide to SBEs an IPPTA DRF Job Aid to assist SBEs with completing the IPPTA DRF. The IPPTA DRF Job Aid will be in a modular format and each module can be reviewed separately.

### E.1 Pre-sampling

The pre-sampling phase is the first of two phases of data submission for completing the IPPTA DRF. An SBE must populate the "pre-sampling" tab with its total universe of Exchange Assigned Policy IDs that received greater than \$0 of APTC for a specific benefit year. By doing so, an SBE will be able to test the alignment of its source data elements to the IPPTA DRF data elements and structure. In addition, the data provided by an SBE in this "pre-sampling" tab will form the "sampling frame" from which an SBE will select a sample of application data for no fewer than 10 tax households based on the scenarios described in Appendix F.

#### Data

The "pre-sampling" tab requires an SBE to map its Exchange Assigned Policy IDs to the associated tax households using a unique identifier called the "Tax Household Grouping Identifier," found in Column B. If an SBE does not have a designated system identifier for tax households, CMS asks the SBE to generate a proxy identifier that represents the tax household. For assistance in creating a proxy identifier, CMS has developed the IPPTA DRF Job Aid, which contains a module on creating a proxy identifier including sample Statistical Analysis System (SAS) code. If more assistance is needed in creating a proxy identifier, an SBE should contact CMS. Next, an SBE must provide a count of verification inconsistencies by inconsistency type. If an SBE does not have a count (i.e., a numeric value) of verification inconsistencies, it should insert a "Y" for "Yes" or "N" for "No" to indicate whether a particular verification inconsistency exists for that specific tax household grouping identifier. Inconsistency types include annual income, residency, ESC MEC, non-ESC MEC, citizenship, lawful presence, and incarceration. An inconsistency would occur when an SBE identifies information that is not consistent with information provided by an applicant, for example, the annual income information provided by an applicant may not be consistent with information from an electronic data source (e.g., IRS), other information available to the SBE, or even other information provided by the consumer.

#### Example of how the pre-sampling data will be used in the review process

CMS will conduct the review process regarding data matching inconsistencies using the data that an SBE submits in the "pre-sampling" tab. The review process for these inconsistencies is based

in the verification requirements found in 45 C.F.R., part 155, subparts D (Eligibility)<sup>17</sup> and E (Enrollment).<sup>18</sup> For example, in reviewing the data submitted by an SBE regarding an annual income inconsistency, CMS will test the data submitted by an SBE against the verification requirements for household income found in § 155.320(c).

### **Example of how pre-sampling data relates to CMS’s scenarios**

The scenarios described in Appendix F identify issues where data matching inconsistencies may occur. For example, an SBE may fail to check an electronic data source that indicates that the applicant’s attested household income is not consistent with an SBE’s data source as defined by the SBE’s business rules (annual income inconsistency, Column E) or is not lawfully present in the U.S. (lawful presence inconsistency, Column D).

## **E.2 Scenario-based Sampled Unit Data**

The “Scenario-based Sampled Unit Data” phase is the second of two phases of completing the data submission process for completing the IPPTA DRF. After reviewing the pre-sampling data submitted by the SBE, CMS will contact the SBE to request that the SBE submit application data associated with no fewer than 10 tax households that collectively fulfill the scenarios described in Appendix F.

### **Data**

The SBE selects scenario-based sampled unit data from the data elements in the pre-sampling tab. For example, the seven types of verification inconsistencies identified in the pre-sampling tab include income, residency, citizenship, lawful presence, incarceration, ESC MEC, and non-ESC MEC and form the basis of the scenarios found in Appendix F.

### **Example of how the scenario-based sampled unit data will be used in the review process**

The scenario-based sampled unit data provide CMS with information about verification inconsistencies, enrollment, and eligibility encountered by an SBE when determining a tax household’s eligibility for APTC or when determining a tax household’s eligibility for QHP. For example, in the citizenship inconsistency scenario (See, Appendix F, F.2.1.b), CMS is collecting data using the review process to evaluate whether a citizenship inconsistency was properly adjudicated and whether adjustments were made to relevant eligibility factors (e.g., if an applicant’s attestations for citizenship were not verified, was APTC revoked after 90 days).

## **E.3 Policy**

The policy tab requires an SBE to provide data about a specific insurance policy.

### **Data**

This tab requires an SBE to provide data elements such as the insurance policy identifier, the insurance policy start and end dates, the latest policy record, and the policy applied APTC amount among other data elements. For example, the policy tab requires an SBE to provide CMS

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<sup>17</sup> Subpart D, Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability Programs

<sup>18</sup> Subpart E, Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans

with the “latest policy record.” If multiple versions of the policy exist, this indicator would provide CMS with the latest version for that policy.

### **Example of how the policy data will be used in the review process**

The data provided by an SBE in the policy tab helps CMS to conduct reviews related to a specific insurance policy. For example, if the SEP manual adjudication case was expired, then the policy record should reflect the SEP expiration. By way of further example, if an applicant moved into a state and applied for SEP for relocation but their SEP was not able to be verified, then there should not be an active policy record for that application version and the policy end date should indicate a date shortly after the SEP adjudication date.

## **E.4 Tax Filing**

The tax filing tab requires an SBE to provide information regarding the tax household so that CMS can verify information about that tax household.

### **Data**

The data elements sought in the tax filing tab help to document, for example, how many tax households are included in an application, tax filing status, and indicators of the composition of the tax household.

### **Example of how the tax filing data will be used in the review process**

The data elements in this tab allow CMS to verify information about the tax household such as verifying the family size required in § 155.320(c). For example, in an application with one tax household, if the attested tax household size does not equal the sum of distinct application members on the application, then the review process should indicate that an error occurred in the system. Also, if CMS needs to know whether someone, who is not in the tax household, is filing the application on behalf of members of the tax household, the information provided in this tab would address that question. CMS needs to know this information because, for example, an adult child may be filing on behalf of their parents. The adult child needs to be on the application even though the adult child will not be applying for APTC but the parents of the adult child will be applying for APTC. However, CMS does not want to overstate the tax household size by including the adult child filing the application for the parents on the application.

### **How tax filing data relates to CMS’s scenarios**

While tax household composition does not generate data matching inconsistencies, it helps CMS test how well an SBE’s system is functioning in applying requirements in federal regulations rather than evaluating information that was adjudicated. For example, it can help CMS to determine whether the SBE’s systems such as a MaxAPTC calculation have errors when applying eligibility requirements in federal regulations to a tax household.

## **E.5 Member Demographics**

The member demographics tab requires an SBE to provide information regarding an applicant’s core demographic information such as name and date of birth.

## Data

The data elements sought in the member demographics tab include the applicant's name, social security number, the date of birth of the application member, and residency using multiple address types such as home, mailing, or transient addresses.

### Example of how the member demographics data will be used in the review process

These data elements provide a basis to check verification requirements. For example, an application member's first, middle, and last names, date of birth, and social security number (SSN) are used in SSN verification in § 155.315(b). The review process confirms that an SSN verification was conducted. If an application member's SSN was not verified on or before the application submission date, then an error occurred.

## E.6 Verification Events

The verification events tab requires the SBE to provide application members' attestations among other data elements to allow CMS to verify the information associated with those attestations. Member attestations include some attestations that do not have verification events but are included in the review process to ensure that the appropriate attestations were collected.

## Data

The data sought in the verification events tab includes application information (G – J), member attestations (K – AO), SSN verification (AP – AS), citizenship verification (AT – AX), lawful presence verification (AY – BC), income verification (BD – BI), non-ESC MEC verifications (BJ – BP), ESC MEC verifications (BQ – BZ), incarceration verification (CA – CD), and residency verification (CE – CH).

### Example of how the verification events data will be used in the review process

The data elements for eligibility verification events are found in this tab. For example, to conduct the review process specified in 45 CFR § 155.315(b)(1), CMS will review the application member's SSN provided in the member demographics tab to determine whether an application member's SSN was verified on or before application submission date. If an application member's provided SSN was not verified on or before the application submission date, then an error occurred. However, CMS notes that SSN verification can be "evergreen" meaning that it does not need to be reverified if the application member's name and date of birth are not changed in later application versions. Another example of how the verification events data will be used in the review process addresses incarceration status. If an application member's attested incarceration status is inconsistent with the data returned by an electronic data source and no inconsistency is generated, then an error occurred.

### How verification events data relates to CMS's scenarios

One of seven CMS scenarios focuses on an inconsistency regarding incarceration. An inconsistency is identified when the outcome of a verification conducted by an SBE indicates a discrepancy between the application member's attestation and the information available from a trusted data source such as a CMS-approved electronic data source. An inconsistency identifier would be assigned for each event where an inconsistency is identified by the SBE. The inconsistency identifier would be specific to each type of inconsistency identified by the SBE pertaining to any application member.

## E.7 Verification Inconsistency

The verification inconsistency tab requires an SBE to provide data regarding applications for which inconsistencies have been identified and to ensure that such inconsistencies have been resolved or expired.

### Data

The data sought in the verification inconsistency tab includes information such as inconsistency type, i.e., citizenship, lawful presence, annual income, incarceration, and non-ESC MEC among others, and the adjudication history for each application member.

### Example of how the verification inconsistencies data will be used in the review process

During the review process, CMS will review the SBE's verification inconsistency data by inconsistency sub-types such as:

- SSN,
- citizenship,
- lawful presence, and
- annual income

and by any additional inconsistencies that an SBE adjudicates such as:

- ESC MEC,
- non-ESC MEC,
- residency, and
- incarceration

to make sure that the inconsistency was properly resolved or expired.

For example, the SBE-submitted data in this tab relates to verification of document submission timeline, document sufficiency, expiration dates, document authenticity, APTC and QHP adjustments following a resolution or expiration of any inconsistency.

## E.8 Eligibility Events

The eligibility events tab requires an SBE to provide data regarding eligibility determination for various events such as auto re-enrollment or SEP.

### Data

The data sought in the eligibility events tab include QHP residency eligibility (G – J), QHP eligibility (K – M), APTC eligibility (N – Q), Max APTC calculation (R – V), auto re-enrollment (W – X), and SEP eligibility (Y – AJ).

### Example of how the eligibility events data will be used in the review process

The review process regarding eligibility events evaluates whether an SBE made the correct eligibility determination for the eligibility events in this tab. In order to evaluate whether APTC eligibility was properly completed, CMS will determine whether it was conducted in the correct



timeframe and concluded properly (i.e., were the various eligibility criteria evaluated properly or not). For example, if the application member attested to having an offer of ESC MEC and is determined eligible for APTC, then an error occurred. By way of further example, if the application member is not eligible for a QHP and is determined eligible for APTC, then an error occurred.

## E.9 SEP Manual

The SEP Manual tab mirrors the verification inconsistency tab but is specific to SEPs. This tab documents SEP verification, however, the federal regulation provides flexibility to SBEs for SEP verifications. An SBE has the option to perform this verification in accordance with § 155.420(g).

### Data

The data sought in this tab relates to SEP verification including adjudication history, relevant consumer documents, adjudication dates, and eligibility dates.

### Example of how the SEP manual data will be used in the review process

In reviewing the data provided in the SEP Manual tab, CMS checks that the inconsistency was resolved or expired. For example, the data in this tab relates to verification of the document submission timeline, document sufficiency, expiration dates, document authenticity, and SEP eligibility determinations following a resolution or expiration of any SEP Manual adjudication.

### How verification events data relate to CMS's scenarios

If an applicant is determined eligible for an SEP, and the SBE performed an SEP Manual verification, CMS would review the determination for errors.

## E.10 Redetermination Events

The redetermination events tab requires an SBE to provide data that falls into two groups – auto re-enrollment and periodic data matching (PDM).

### Data

The data sought in the redetermination events tab includes various PDMs such as death, Medicaid/CHIP, Medicare, and failure to reconcile. CMS checks that the PDMs are performed including the scheduled run date. It also includes information elements related to how that data matching process was evaluated. For example, information in this tab would include information relating to a consumer's potential change in eligibility for QHP and APTC.

### Example of how the redetermination events data will be used in the review process

The redetermination events data elements allow CMS to evaluate, for example, that the death PDM is performed twice a year, whether the application member is found to be deceased, and if their QHP was terminated. If the death PDM were not performed at least twice during the benefit year on an application member, then an error would have occurred.

### How redetermination events data relates to CMS's scenarios

The information provided by an SBE in this tab are relevant to scenarios regarding periodic data matching such as death PDM.

## E.11 Enrollment Reconciliation

The enrollment reconciliation tab requires the SBE to provide information on all enrollment reconciliations between the QHP issuer and the SBE to make sure that the information is consistent between the two entities for a policy.

### Data

The data sought in this tab includes data pulled from the reconciliation files. A reconciliation file shows the results of the SBE reconciliation with the QHP issuer on effectuation status, benefit start and end dates, and applied APTC.

### Example of how the enrollment reconciliation data will be used in the review process

The information provided by an SBE in this tab relates to review criteria regarding enrollment reconciliation. For example, information the SBE provides would give CMS the QHP effectuation status, which allows CMS to understand whether and how reconciliation effectuation information between the SBE and issuer were reconciled.

### How enrollment reconciliation data relate to CMS's scenarios

The data provided in this tab relate to applications where an issuer and an SBE had discrepancies in data values but the discrepancies were eventually resolved – or could not be resolved.

## E.12 Plan Management

The plan management tab requires the SBE to provide information to ensure that an applicant was enrolled properly in a certified QHP.

### Data

The data sought in the plan management tab includes QHP certification information.

### Example of how the plan management data will be used in the review process

This data would inform CMS on whether an enrollee was enrolled in a QHP that was certified – or was not certified – for a specific benefit year.

### How plan management data relates to CMS's scenarios

The data provided in this tab relates to inconsistencies, for example, regarding whether a QHP is not certified for the entire benefit year.

## E.13 All Consumer Documents

After completing all the tabs listed above, the SBE must provide CMS with the consumer submitted documents for each sampled unit selected by the SBE along with the IPPTA DRF using a secure file transfer protocol (SFTP) as stated in section 4.4 of the IPPTA Guide for SBEs. For example, documents submitted by an applicant or enrollee such as a paystub, a photocopy of a driver's license, a utility bill, or other document needed to verify their income, identity, residency, or other requirement is considered a consumer submitted document. "All Consumer Documents" is defined in the Data Dictionary as a list of all consumer documents received by the SBE associated with the members on an application including the type(s) of

documents received, the date(s) the documents were received, and the mode (e.g., email, regular mail) they were received. If providing multiple documents, please separate each document using semi-colons. The consumer submitted documents will be used to review the adjudication of inconsistencies and manual verifications for each sampled unit selected by the SBE.

## Appendix F. Scenario-based Sampling Approach

### Overview

The IPPTA regulation<sup>19</sup> allows an SBE to choose the tax households that will constitute the sample so long as the SBE produces application data associated with no fewer than 10 tax households.<sup>20</sup> The application data associated with no fewer than 10 tax households must, when together as a whole, address the scenarios specified by CMS so that CMS can test all the IPPTA review processes. A singular tax household may fulfill multiple scenarios at once, however, it is unlikely that the application data associated with a singular tax household will address all the sub-scenarios contained in all the scenarios specified. For example, one sampled tax household may not have an annual income inconsistency, an incarceration inconsistency, a social security number inconsistency, and a citizenship inconsistency, which are types of inconsistencies indicated in Scenario 1 in F.2 below. However, when selecting tax households, the SBE must collectively address all seven scenario types including each of the inconsistency types in F.2.1 as well as the other scenarios identified in F.2.2 through F.2.7.

### F.1 Scenario-based Sample Selection Process

CMS developed the scenarios to test all the review processes and procedures in IPPTA in order to prepare SBEs for the planned measurement of improper payments as required by PIIA of 2019. The scenarios include various application sub-scenarios such as household composition, data matching inconsistencies (for example, SSN, citizenship, lawful presence, annual income) identified for the applications, special enrollment period application types (for example, relocation, marriage), periodic data matching (for example, Medicaid/CHIP, Medicare, death), application status (for example, policy terminated, policy canceled), and application types (for example, initial application).

As seen in the example provided in F.3 below, it is unlikely that the application data associated with a singular tax household will address all the sub-scenarios contained in all seven of the scenarios specified in F.2. Therefore, while the application data for each tax household does not need to address all seven of the scenarios specified, the application data submitted for no fewer than 10 tax households should, when taken together as a whole, address all the sub-scenarios in all seven of the scenarios specified. For example, the application data for one tax household may address lawful presence inconsistency adjudication but not special enrollment eligibility verification. Accordingly, the application data for another tax household should address special enrollment eligibility verification. The example of a married couple with one child provided in F.3, **Example of Scenario-based Sampling**, demonstrates how a singular tax household may address multiple scenarios.

After receiving the application data associated with no fewer than 10 tax households that have been selected by the SBE, CMS will test the data from each of the tax households against its review procedures to determine if the respective application data fulfill the scenarios. If the submitted application data do not collectively (meaning all the 10 or more tax households taken

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<sup>19</sup> [45 CFR, Subpart P](#), Improper Payment Pre-Testing and Assessment (IPPTA) for State-based Exchanges, § 155.1500 – 155.1515

<sup>20</sup> 45 CFR § [155.1510](#)(a)(2)

together as a whole) fulfill all the sub-scenarios of all seven of the scenarios, CMS will coordinate with the SBE to select additional tax households. For the data submitted, CMS requires the SBE to provide digital copies such as PDFs of supporting consumer-submitted documentation (for example, proof of residency, proof of citizenship, etc.). CMS understands that there may be particular data elements that an SBE does not collect or has not yet begun to collect. For those data elements, the verification of which is required by Federal regulations in 45 CFR, part 155, subparts D (Eligibility)<sup>21</sup> or E (Enrollment),<sup>22</sup> the SBE must notify CMS of such data element(s) and the reason why the data element(s) are not collected. If the Federal regulations specify that a verification requirement is optional to the SBE, then the SBE does not have to notify CMS why such data element(s) are not collected. CMS will work with each SBE to address any questions or concerns during the IPPTA period.

## F.2 Scenarios

The seven scenarios listed below are designed to exercise all the review processes in IPPTA.

2.1. For each of the following verification inconsistencies, provide at least one sample that contains one or more of the following inconsistency types:

- a. SSN verification inconsistency
- b. Citizenship verification inconsistency
- c. Lawful Presence verification inconsistency
- d. Annual Income verification inconsistency
- e. Non-ESC MEC verification inconsistency
- f. ESC MEC verification inconsistency
- g. Residency verification inconsistency
- h. Incarceration verification inconsistency

2.2. For each of the following Special Enrollment Period types, provide at least one sample that contains one or more of the following SEP types:

- a. Loss of MEC
- b. Relocation
- c. Marriage
- d. Adoption/Foster Care
- e. Medicaid or CHIP Denial
- f. Member of federally recognized tribe

2.3. For each of the following Periodic Data Matching (PDM), provide at least one sample that contains one or more of the following PDM types:

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<sup>21</sup> Subpart D, Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability Programs

<sup>22</sup> Subpart E, Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans

- a. Medicaid/CHIP PDM
- b. Medicare PDM
- c. Death PDM
- d. Failure To Reconcile PDM

2.4. For each of the following application status, provide at least one sample that contains one or more of the following application status types:

- a. Policy terminated (i.e., policy was stopped and had payments against it)
- b. Policy canceled (i.e., policy was stopped but had no payments against it)

2.5. For each of the following application types, provide at least one sample that contains one or more of the following application types:

- a. An initial application (i.e., tax household had not submitted any prior applications)
- b. An auto re-enrollment application for new benefit year (i.e., system automatically initiated application for new benefit year on behalf of the consumer or a consumer has submitted an application to re-enroll for a new benefit year)
- d. A change in circumstance application (i.e., consumer has reported a change in their attestation)

2.6. For each of the following enrollment reconciliation statuses, provide at least one sample that contains one or more of the following enrollment reconciliation statuses:

- a. Issuer/SBE had differences in data values but were eventually resolved
- b. Issuer/SBE had differences in data values but could not be resolved

2.7. For each of the following types of QHP, provide at least one sample that contains one or more of the following types of QHP:

- a. QHP is not available in all counties or localities
- b. QHP is not available for the entire benefit year (e.g., suppressed, decertified, retired)
- c. QHP selected is not a Silver medal plan (e.g., Bronze or Gold Plan)

### F.3 Example of Scenario-based Sampling

The scenario below provides an example of the sub-scenarios in 1.e. (Non-ESC MEC verification inconsistency), 2.a. (Loss of MEC), 3.a. (Medicaid/CHIP PDM), 3.b. (Medicare PDM), 3.c. (Death PDM), 3.d. (Failure to Reconcile PDM), 5.a. (Initial application), and 5.d. (Change in circumstance application) above.

#### **Background:**

John and Jane Smith are married and have one child, Jenny. They applied for coverage and financial assistance for benefit year (BY) 2022 during open enrollment, and later again that year through a special enrollment period (SEP). They applied through an SBE that adjudicates inconsistencies and SEPs in accordance with Federal regulations. The accompanying IPPTA

Data Request Form was completed for BY 2022 with relevant data elements that reflect the information identified in the paragraphs below.

**Member Demographics and Eligibility Criteria:**

All three members of the Smith family lived together in <City>, <State>, had Social Security Numbers, were not incarcerated, and did not have offers of Employer Sponsored Coverage – Minimum Essential Coverage (ESC MEC). John was the only income earner, estimating his annual earnings at \$20,862 (95% of the 2021 Federal Poverty Level (FPL)). John and Jane were lawfully present immigrants who had moved to the United States 3 years ago and filed taxes jointly. Jenny was a citizen, under the age of 18, and a tax dependent of her parents.

**Initial Application:**

On November 15th, 2021, John applied through an online application process and made attestations consistent with the previous paragraph. Although the household income was below 100% of the FPL for that year, John and Jane were determined to be eligible for a Qualified Health Plan (QHP) and Advance Premium Tax Credits (APTC) since their recent immigration status made them ineligible for Medicaid. Since Jenny was a citizen, however, she was determined eligible for Children’s Health Insurance Program (CHIP), and John did not request coverage or financial assistance for her, as she would be ineligible for a QHP or APTC. John enrolled himself and Jane into a QHP with a premium of \$900 a month for the duration of BY 2022. The exchange calculated their Max APTC as \$864 a month, which John chose to apply in its entirety every month. John made his first premium payment on December 21st, 2021.

**Change in Circumstance:**

In early February, John’s income rose to an estimated \$32,940 (150% of the 2021 FPL) annually and was notified on February 15th that Jenny’s CHIP eligibility and coverage would expire at the end of February. John returned to the exchange, claiming a “Loss of MEC” Qualifying Life Event (QLE), and resubmitted an application for his family, reflecting his new anticipated income and included Jenny in the request for coverage and financial assistance. During electronic verification of the attestations, an inconsistency relating to Jenny’s Non-ESC MEC status was discovered, since the external databases had old data reflecting her enrollment in CHIP. Jenny was given conditional eligibility for 90 days while the inconsistency was resolved. Jenny was added to her parents’ policy, increasing the monthly premium to \$1000 a month, and starting on March 1st, 2022. The family’s Max APTC was recalculated to \$887, which they elected to apply in its entirety to their monthly premiums.

**Inconsistency Resolution:**

John submits Jenny’s “Loss of Coverage” letter, which they received when they were notified of Jenny’s loss of CHIP eligibility. The letter was dated February 7th, 2022, and determined to be sufficient to resolve the inconsistency, when it was reviewed by the exchange team on February 20th, 2022.

**Periodic Data Matching:**

The Exchange performed two periodic data matches on March 1st, 2022 (which created version 3) and August 1st, 2022 (which created version 4). Both were executed successfully, and neither resulted in any inconsistencies. This example uses versions 3 and 4 to illustrate that prior versions were consumer submitted versions, while versions 3 and 4 were SBE generated.

[This is the last page of the IPPTA Guide for SBEs.]