



To: Issuers Participating in Maryland Health Connection

From: MHBE Policy and Plan Management

Date: January 12, 2018

Re: Guidance for transfer of accumulated cost sharing after a change in cost sharing reduction eligibility.

The Maryland Health Benefit Exchange has distributed this report to provide guidance to issuers regarding their obligations when individuals participating in the Exchange experience a change in eligibility for cost sharing reductions (CSR). In the event that the Exchange notifies an issuer of a change in an enrollee's eligibility for cost-sharing reductions, the issuer must take the following actions, as mandated by federal regulation:

- The issuer is required to change the individual's assignment, such that the individual is assigned to the applicable standard plan or plan variation of QHP as required under 45 CFR § 410(b). 45 CFR § 156.425(a).
- The issuer must ensure that any cost sharing that has already accumulated under previous plan variations for that benefit year is taken into account in the new plan variation for the purpose of calculating cost sharing based on aggregate spending by the individual, such as deductibles or annual limitations on cost sharing. 45 CFR § 156.425(b). CMS has recommended that issuers transfer the individual's accumulated cost sharing in the order in which cost sharing is required in the new plan.¹ For example, if the individual's original plan did not have a deductible but the new plan has a deductible, the issuer should first transfer accumulated cost sharing amounts from the original plan to the new plan's deductible.
- The issuer must provide to the individual a summary of benefits and coverage that accurately reflects the new plan variation (or standard plan) in a manner consistent with 45 CFR § 147.200 within one week of receiving notice of the change in eligibility from the Exchange. 45 CFR § 156.425(c).

It is important that issuers follow this guidance, as well as applicable state and federal law, when reassigning an individual's plan based on a change in eligibility for CSR. Please do not hesitate to contact the Exchange (mhbe.policy@maryland.gov) with any questions or concerns regarding this guidance.

¹ Centers for Medicare and Medicaid Services, Center for Consumer Information and Insurance Oversight, *Manual for Reconciliation of the Cost-Sharing Reduction Component of Advance Payments for Benefit Year 2016* (Dec. 2016).