



Date: September 6, 2016

Subject: Frequently Asked Questions Regarding Verification of Special Enrollment Periods

In the HHS Notice of Benefit and Payment Parameters for 2018 Proposed Rule (2018 Payment Notice)¹ we stated that we are committed to making sure that special enrollment periods are available to those who are eligible for them, and equally committed to avoiding any misuse or abuse of special enrollment periods.

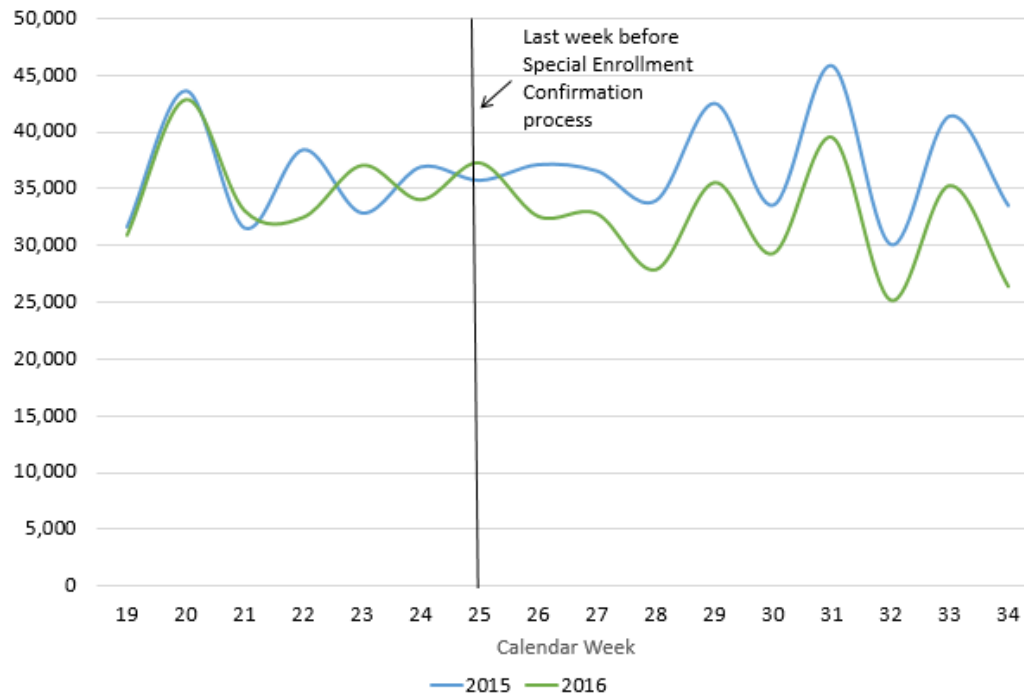
Over the past months, we have taken a number of steps to further our commitment to prevent misuse or abuse of special enrollment periods. Specifically, earlier this year, we added warnings to HealthCare.gov against the inappropriate use of special enrollment periods, we eliminated certain special enrollment periods that are no longer needed, and we tightened the eligibility rules for certain special enrollment periods.

In addition, we have introduced a special enrollment confirmation process under which consumers enrolling through the most common special enrollment periods on a Federally-facilitated Marketplace are directed to provide documentation to confirm their eligibility for the special enrollment period.

Preliminary data indicate that the confirmation process has resulted in a material decrease in special enrollment period plan selections. In the seven weeks prior to implementation of the confirmation process, special enrollment period plan selections in 2016 were about the same as during the same weeks in 2015. In the seven weeks after implementation, special enrollment period plan selections in 2016 were almost 15 percent lower than during the same weeks last year, although why enrollments are falling in response to the new confirmation process is unclear.

¹ <http://federalregister.gov/a/2016-20896>.

Special Enrollment Period Plan Selections by Week



In the 2018 Payment Notice, we proposed to continue our efforts to clarify and streamline the rules around special enrollment periods by codifying certain special enrollment periods that were made available through prior guidance. We also noted the concerns we have heard about how these actions are affecting the Exchange risk pools. Some have said that additional changes are needed to prevent individuals from misusing special enrollment periods to sign up for coverage only after they become sick. Others have cautioned that differential costs for the special enrollment period population reflect the already low take-up rates for special enrollment periods among eligible individuals.

We have been asked what policy changes we might consider and when and what input would be most relevant. The frequently asked questions below address these issues. In particular, to further inform policy development, we seek input on a pilot we intend to launch in the months after Open Enrollment in 2017.

Q1: What further actions is CMS considering to curb potential abuse of special enrollment periods?

As we noted in the 2018 Payment Notice, we seek information on potential additional actions to take regarding special enrollment period outreach and policy. In the meantime, we are planning a pilot to evaluate a pre-enrollment verification process. Our intent in conducting such a pilot would be to evaluate the impact of pre-enrollment verification of special enrollment period

eligibility on compliance, enrollment, continuity of coverage, the risk pool, and other outcomes. The scope of the pilot is still being determined.

Q2: When would the pilot be implemented?

We anticipate implementing this pilot in 2017. Our decisions on what actions to take as a result would be assessed as we see the results.

Q3: What information and data will CMS consider as it designs the pilot?

In designing the pilot, we will work closely with stakeholders to consider their views and information bearing on the following design questions:

1. Should the pilot be geographically targeted, or should it involve a sample of consumers throughout the Federally-Facilitated Marketplaces? If it is geographically targeted, what states or sub-state regions should be included?
2. Should the pilot focus on a subset of special enrollment periods that may be most prone to abuse? If so, which would those be?
3. How should we conduct the pilot in a manner that minimizes burdens on consumers and disruptions in coverage?
4. How should we measure the impact of the pilot on compliance, enrollment, continuity of coverage, and the health of the risk pool, and do so in a timely way as to inform potential policy changes for 2018?

Please send comments to SEP@cms.hhs.gov by September 20, 2016.