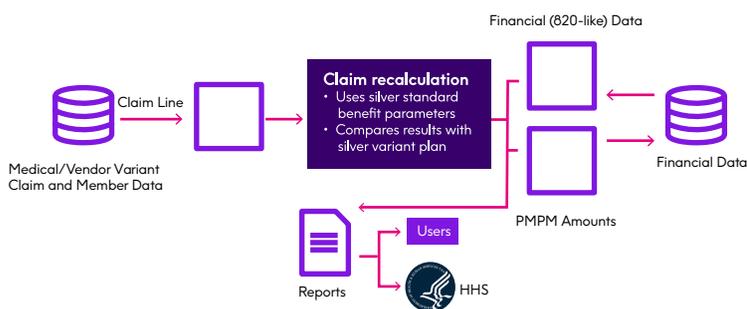


# Cost sharing reduction

## The Challenge

The Cost Sharing Reduction (CSR) provision of the ACA introduces a process to subsidize member out-of-pocket costs for low-income members on more expensive variant plans. Issuers receive a Per Member Per Month (PMPM) payment from the government to offset the higher plan cost. Issuers then need to reconcile these payments with the actual cost incurred for these members based on their claim experience using a Simplified or Standard methodology. Many issuers initially chose the Simplified methodology based on time to market. Given the extension they have chosen to implement the Standard methodology based on their financial analysis that substantiated financial benefits.



The standard CSR formula is complex due to the requirement that each claim line originally adjudicated under a Silver Variant Plan must be recalculated as if it were processed under the associated Silver Standard Plan. This allows issuers to determine if the government subsidies were more or less than the actual incurred costs.

## Enterprise Solutions Approach

The Precisely CSR solution addresses the requirements of the CSR regulation with a comprehensive set of tools that allow issuers to recalculate the affected claims to achieve accurate and reliable results. Reporting is provided to allow monthly or quarterly monitoring of subsidy payments vs. liability and analysis of the trends of this data.

“In this new world of health care reform, there are myriad of complexities to legislation and the process, and if you’re not on top of all of it, it can make a huge financial impact. We ultimately made the decision that investing in the quality of Precisely Cost Sharing Reduction Solution just made the best business sense and will, at the end of the day, protect our members, for whom the legislation was intended to help”

Robert Ruocco  
VP, Information Systems Leading  
Healthcare Insurer

## Our Solution

Precisely can help you increase the speed at which the CSR reconciliation is completed while obtaining accurate and detailed results. Precisely has a staff of solution experts that can help to accelerate the project to get it completed within your timeframe. Using the cloud-based implementation option can also eliminate delays due to environment deployment. When this solution is paired with Precisely’s Marketplace Membership Reconciliation you can be confident in the accuracy of member data that enters your systems for processing.

## How it Works

The Precisely team stays on top of regulation updates to support the changes in the solution and notifies customers to ensure they are up-to-date. Interim CSR calculations can be made to understand and monitor plans before they need to be submitted.

## Key Benefits

### Plan mapping

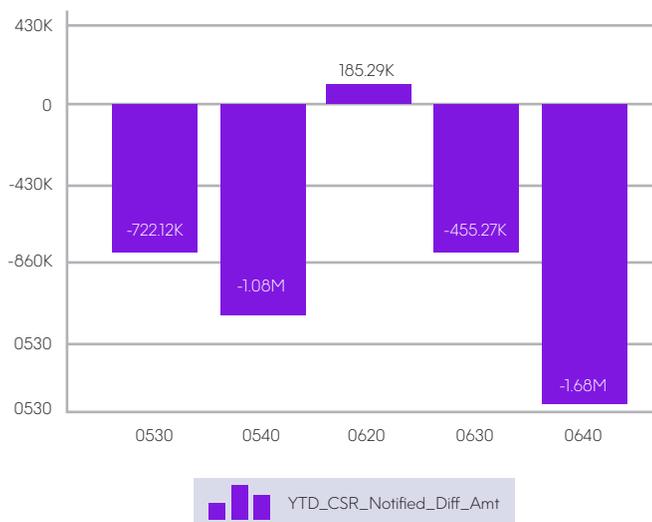
Set up is performed to align the CSR solution configuration with the Standard Plan benefit parameters for application of deductibles, copays and coinsurance amounts.

### Calculate member claim line out-of-pocket

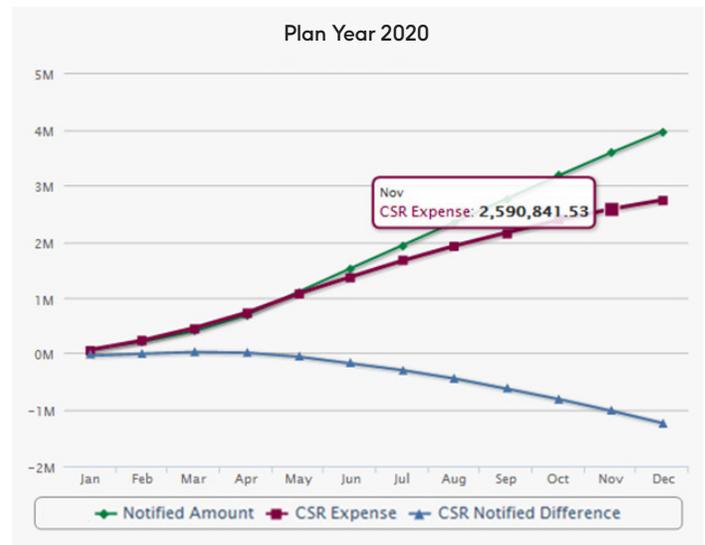
Calculate the claim line out-of-pocket costs for eligible Silver Variant Plan claims as if the member was in the Silver Standard Plan.

### Report estimated and incurred costs by product down to the individual member

Compare the forecasted cost of members in Silver Variant Plans at the beginning of the benefit year (PMPM value) with actual incurred costs over time. Identify trends in this data to determine where costs are not matching forecasted PMPM amounts.



Precisely has over 5 decades of experience in data quality controls and visibility and works with 4 of 5 top healthcare payers.



### Membership solution features controls

- Claim to Plan Mapping
- Benefits Services Validation
- Member/Family Claim Calculation
- Member-Level Claim Aggregation

### Automated reconciliations

- Expected advance payments vs. Actual advanced payments
- Actual advanced payments vs. Actual CSR provided to members
- Expected advanced payments vs. Actual CSR provided to members

### Standard reporting

- Member- and Plan-level CSR value reports
- Annual CSR value reconciliation report
- Raw data report
- Membership reconciliation / PMPM discrepancy report
- Value Added Ad Hoc Reporting Options

### Flexible deployment options

- Choose a deployment option that fits your business model
- Flexible platform enables transitioning between four deployment options as your needs change
- Cloud is offered either a SaaS model or an Precisely Managed Service to accelerate deployment timelines
- On-Premises is offered as a customer managed or Precisely Managed Service to supplement IT resources
- For all options, Precisely provides that latest software updates to maintain maximum functionality and compliance

#### Cloud



#### On-Premises

