Coverage Example Calculator Algorithm (Model Logic) Summary

The model logic below explains how the model treats the cost sharing, out-of-pocket limit, deductibles, and coverage limitations in plan benefit packages in calculating plan and patient payment amounts for the maternity and type 2 diabetes coverage examples. This logic is being provided to better explain how the model works and to facilitate the construction of programs by plans and issuers who are building their own coverage calculators. Additional coding logic is available upon request at SBC@cms.hhs.gov.

for each scenario
for each claim line item in the scenario

MATERNITY BUNDLE ITEM?

if Q answered Y, check if bundle has been previously claimed
if bundle previously claimed, do nothing and go to next claim
if bundle not previously claimed, mark as utilized and continued processing claim
if Q answered N, continue processing claim

AMOUNT ALLOWABLE > 0?

if Q answered Y, continue processing claim
if Q answered N, do nothing and go to next claim

IS THE BILLING CODE = "OTC"?

if Q answered Y, add full amount allowable to individual expense under exclusions and process next claim
if Q answered N, continue processing claim

WHICH DEDUCTIBLE APPLIES?

identify the relevant deductible (set to overall if not a special case)
at the same time, get the cost share type, cost share value, and remaining balance to satisfy deductible

IS THE CLAIM NOT COVERED OR NOT SUBJECT TO COST SHARING?

if Q answered Y, charge full amt to insurer or individual exclusion and go to next claim
if Q answered N, compute the copay/coinsur dollar amount and continue processing

IF AN OOP LIMIT EXISTS, HAS IT BEEN EXCEEDED?

if Q answered Y , add full amount allowable to insurer expense
if Q answered N (no OOP or OOP not exceeded), continue processing claim

HAVE ANY LIMITS BEEN EXCEEDED?

if Q answered Y, add full amount allowable to individual expense under limits, start next claim
if Q answered N, continue processing claim

ALLOCATE COST SHARING

First, compute temporary indiv cost allocations without considering OOP remaining balance:

IF THERE IS A DEDUCTIBLE, HAS THE BALANCE BEEN MET PREVIOUSLY?

if Q answered Y, set the temp deductible allocation = 0 and the temp cost share =
for copays: min of cost share amt and claim amt
for coinsurance:
if Q answered N, compare amount to deductible balance:

IS THE ALLOWABLE AMT <= THE DEDUCTIBLE BALANCE?

if Q answered Y, set the temp deductible allocation to the allowable amount and the temp indiv cost share allocation = 0
if Q answered N,
set the temp deductible allocation to the deductible balance and the temp indiv cost share allocation =
for copays: min of (amt-ded bal, cost share amt)
for coinsurance: the (amt-ded bal)* coinsurance %

Second, compute the final indiv cost allocations by comparing to OOP remaining balance:

IF AN OOP LIMIT EXISTS, IS THE TEMP INDIV SHARE > OOP REMAINING BALANCE?

if Q answered Y, set the final deductible allocation = min of OOP remaining balance and the temp deductible allocation and set the final indiv cost share allocation = OOP remaining balance - final deductible allocation

if Q answered N, set the final allocations = temp allocations for both deductible and indiv cost sharing