

User Group Call Date 02/20/2025

Introductory note

- 1) For questions regarding bid instructions or completing the BPTs: actuarial-bids@cms.hhs.gov
 For COVID-19 policy and benefit related questions: <https://ma-covid19-policybenefits.lmi.org/covid19mailbox>
 For Part C policy-related payment questions: PartCpaymentpolicy@cms.hhs.gov
 For Part C policy-related questions (including OOPC/TBC policy): <https://mabenefitsmailbox.lmi.org/>
 For Part D policy-related questions: partdpolicy@cms.hhs.gov
 For Part D benefit-related questions (including OOPC/TBC policy): partdbenefits@cms.hhs.gov
 For questions related to risk score models and released data: riskadjustmentpolicy@cms.hhs.gov
 For questions related to the Encounter Data Processing System: riskadjustmentoperations@cms.hhs.gov
 For technical questions regarding the OOPC model: OOPC@cms.hhs.gov
 For questions related to the Health Plan Management System (HPMS): HPMS@cms.hhs.gov
 For questions related to the Medicare Advantage Prescription Drug system (MARx): MARXSSNRI@cms.hhs.gov
 For questions related to the Medicare Part D Coordination of Benefits: PartD_COB@cms.hhs.gov

#	Topic	Date E-Mail Sent	E-mail Subject	E-Mail Body Text	CMS Response
1	ESRD	N/A	N/A	Can you expand on the change to the ESRD definition for CY2026, to Chronic Kidney Disease (CKD) with two categories—(i) CKD requiring dialysis/ESRD; and (ii) CKD not requiring dialysis? Is this a broader change to the current three ESRD categories of dialysis/transplant/post-graft that would affect plan payments, or is this limited to ESRD-SNPs	The Final Rule, effective June 3, 2024 codified the list of 22 chronic conditions to be used by CMS to approve C-SNPs. One of the changes includes renaming the “End Stage Renal Disease (ESRD) requiring dialysis” condition category to “Chronic kidney disease (CKD)” with the following conditions: CKD requiring dialysis/ESRD, and CKD not requiring dialysis. This rule change does not change the plan payments for ESRD beneficiaries.
2	Risk Sharing	N/A	N/A	Our capitation arrangements often have non-contingent, fixed PMPM care coordination fees associated with them. We typically report these amounts as a medical expense. Should these care coordination fees be included in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4?	No, these amounts should not be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. Only amounts payable contingent on achieving a certain outcome specified in a risk-sharing arrangement contract should be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. Fixed amounts, such as salaries, FFS payments, capitations, or returned withholds, should not be included in these cells.
3	Risk Sharing	N/A	N/A	Should monthly capitation payments, as defined in ASOP 5, be included in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4, or should only payment adjustments be included in these cells?	<p>No, these payments should not be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. Fixed amounts, such as salaries, FFS payments, capitations, or returned withholds, should not be included in these cells. Only amounts payable contingent on achieving a certain outcome specified in a risk-sharing arrangement contract should be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4.</p> <p>As an example, assume that a plan sponsor contracts with a MA provider to provide MA services. The contract specifies that the provider will be paid FFS, and that the provider will share in 100% of the upside and downside risk when an 85% target medical loss ratio is not achieved (100% is used as an example, but this percentage could be any number). Assume the following:</p> <p>MA Revenue = \$1000 MA Claims = \$900 Target MLR Claims = \$850</p> <p>MA claims fall above the target by \$50 (\$850 – \$900), for a total settlement payment from the provider to the insurer of \$50 (100%* \$50). If the arrangement is between a provider and a single bid, negative \$50 is what should be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. If the arrangement is between a provider and multiple bids, this amount would be allocated among all participating bids.</p> <p>If you are uncertain about whether an item should be reported in these cells, please contact the actuarial-bids mailbox.</p>

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4	Gain/Loss Margin	N/A	N/A	OACT has proposed that plans with gain/loss margins as a percentage of revenue less than –10 percent that have existed since CY2022 be added to those requiring additional documentation under Appendix B Section 8.6. Can OACT please confirm (a) if the plan(s) to be included are those that are less than –10 percent only in the bid year, regardless of the gain/loss margins since CY2022 (that is, the plan could have had a positive gain/loss margin at any point since and including CY2022) and (b) if the plan(s) to be included are only those that have a continuing Contract-Plan ID-Segment ID since CY2022.	(a) The plans to be included are only those that are less than –10 percent in the bid year, regardless of what the plan's margin was in prior years. (b) The plans to be included are only those that have had a unique Contract-Plan ID-Segment ID since CY2022
5	Inflation Reduction Act (IRA)	01/28/2025 10:38	Questions about Reporting Estimated Remuneration at POS Amount (ERPOSA) in CY2026 PD BPT WS1	The PDE data of CY2024 which will be reported to CY2026 PD BPT WS1 has the field of “Estimated Remuneration at POS Amount (ERPOSA)” which for 2024 includes the full cost of the Part D Plan-Facilitated USG PAP. We have two questions about how to report this field in WS1. 1. Will this field be included in the claim allowed in lines 1 to 6? 2. Will this field be included in the total rebates in line 7 if it is not included in the total allowed?	The ERPOSA must be reflected in the allowed cost in lines 1–6 on Worksheet 1 of the CY2026 Part D BPT.
6	Base Period Experience	N/A	N/A	For reporting members, scripts, and costs by ending phase on WS1, will CMS provide more explicit guidance about how to estimate when the 2026 TrOOP threshold is met for NLI and LI members?	- Worksheet 1 Section III – Part D Claims Experience: - When completing the CY2024 base period experience in the CY2026 BPT, plan sponsors must enter the number of members with total CY2024 allowed costs equal to \$0, between \$1 and \$544, between \$545 and catastrophic, and above catastrophic. - For the purposes of completing Worksheet 1 of the CY2026 BPT, all members with TrOOP costs less Gap Discount amounts greater than \$2,100 are considered to have reached the catastrophic phase. - This is a temporary transition for one more year until the base period benefit phases align with the IRA. - Plan sponsors should not enter Gap Discount amounts into column J, Average Cost Sharing per Member on WS1. Gap Discount amounts will need to be a component of base period reconciliation to financials. - For Plan-to-Plan transaction reporting on worksheet 1, plans will need to estimate the gap discount using whatever method they believe produces the most reasonable result and provide support for that methodology
7	Selected Drug Subsidy	N/A	N/A	We are aware the Selected Drug Subsidy will be paid to plans for MFP drugs in 2026 below the catastrophic threshold. Will the Selected Drug Subsidy be reduced in the event that there are manufacturer rebates associated with MFP drug claims, similar to how rebates are distributed between plans and the federal government based on the plan's gross reinsurance?	The Selected Drug Subsidy will be reconciled dollar for dollar with what is reported on the PDE and what the plan receives in prospective payments (meaning, in totality, the plan will be paid the amount that is reported on the PDE). We will not be removing the reported DIR from the actual payment amount, which is what we do in the reinsurance reconciliation.