

**CMS Guidance Regarding Medicare Medical Loss Ratio (MLR) Reporting Requirements: Q&A (9/21/2015 Update)**

*The purpose of this document is to provide guidance regarding Medicare (Parts C and D) MLR reporting requirements. This information is supplemental to the final rule and reporting instructions.*

#	Topic	e-mail subject	e-mail body text	CMS response date	CMS Response
1	PACE	Release of Medical Loss Ratio (MLR) Reporting Tool for CY2014	Is the memo, released on 4/8/15, titled Release of Medical Loss Ratio (MLR) Reporting Tool for CY2014 applicable to Programs of All-Inclusive Care for the Elderly (PACE) organizations?	04/20/2015	PACE plans are not required to complete or submit an MLR Report.
2	Cost plans without Part D	MLR requirement for Cost Plan (no Part D)	<p>[Regarding] Cost Plans that do not offer Part D: Based on the information below (copied from the General Instructions) – are we required to complete the MLR Report?</p> <p>All contracts that received Medicare revenue during the contract year must submit an MLR report, with the following qualifications/clarifications:                      Cost/HCPPs: The MLR Report must be completed for the Part D portion of the benefits offered under their contract with CMS for Section 1876 Cost plans, Section 1833 Cost plans, and employers/unions offering Cost plans or Health Care Prepayment Plans (HCPPs)</p>	04/20/2015	<p>Cost plans that do not offer Part D are not required to complete or submit an MLR Report.</p> <p>Cost plans that offer Part D are required to complete and submit an MLR Report for the Part D portion of the contract.</p>
3	MLR Reporting Materials	MLR Reporting Materials	I received the HPMS memorandum addressing CY 2014 Reporting, but I do not have HPMS access and therefore am unable to review the materials identified as being released. Will they be posted to the CMS website or could I obtain a copy “offline” from someone?	04/20/2015	At this time, the MLR Reporting Tool and instructions are only available via HPMS. We will consider posting the materials on the CMS website at a future date.

4	MLR Reporting Materials	MLR Report Training	Is there any upcoming training related to MLR reporting?	04/20/2015	Below are resources available regarding MLR reporting: <ul style="list-style-type: none"> <li>• Medicare MLR final rule: <a href="http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html">http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html</a></li> <li>• Medicare MLR reporting instructions, available in HPMS</li> <li>• Medicare MLR Q&amp;As: <a href="http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html">http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html</a></li> <li>• Medicare MLR mailbox (MLRreport@cms.hhs.gov)</li> <li>• Commercial MLR regulations, instructions, Q&amp;As, guidance: <a href="http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio.html">http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio.html</a></li> </ul>
5	Part D Catastrophic Reinsurance	Question on Catastrophic Reinsurance	On page 8 of 29 of the Filing Instructions, there is specific reference to the exclusion of LICs and coverage gap discount payments from the amount used as the denominator of MLR as CMS considers these as pass-through payments. What about the Part D Catastrophic Reinsurance program advances paid by CMS on a monthly basis and reconciled and settled after the pharmacy experience is analyzed through the PDE process? Aren't these also considered as pass-through payments subject to exclusion from the MLR calculations?	04/20/2015	Part D federal reinsurance is to be reported in the MLR Report on Worksheet 1 Section 2 Line 1.7. These amounts are included in the MLR denominator as revenue. The preamble to the final rule discusses the rationale for the inclusion of catastrophic reinsurance in the MLR denominator.
6	MLR Report Submission Date	Deadline Question	Based on the memo dated April 8, 2015, we are confused as to the deadline for MLR reporting under ACA for Plan Year 2014. Is the MLR calculation requirement under ACA for 2014 due July 31 or is it due on December 4, as detailed in the letter?	09/21/2015	The December 4, 2015 submission date announced in our April 8, 2015 memorandum entitled "Release of Medical Loss Ratio (MLR) Reporting Tool for Contract Year 2014" only applies to MLR Reports submitted by MA Organizations, Cost Plans, and Prescription Drug Plan Sponsors. This deadline does not affect the submission date for commercial Health Insurance Issuers' Annual MLR Reports. Questions about the commercial MLR Reporting requirements and procedures should be emailed to <a href="mailto:MLRQuestions@cms.hhs.gov">MLRQuestions@cms.hhs.gov</a> .
7	MLR Workbook Calculation - Rebates	Rebate for other Part A/B Man Supp	What line of the MLR calculation does rebate for other Part A/B mandatory supplemental benefits get reported? Line 1.2?	09/21/2015	Line 1.2 is where rebates for other Part A/B mandatory supplemental benefits should be reported.

8	CGDP	Rebate for other Part A/B Man Supp	<p>The instructions for the preparation of MLR states that CDGP is not included in the revenues. However, page 8 of 9 that discusses Low income payments and CGDP is not as clear. Are CGDP (Coverage Gap Discount Payments) considered LIPSA (Low income Payment Subsidy Amounts)?</p>	09/21/2015	<p>Coverage Gap Discount Program (CGDP) payments are not low income payment subsidy amounts.</p> <p>The bottom of page 8 of the MLR Reporting Tool instructions discusses three distinct components of the Part D program:</p> <ul style="list-style-type: none"> <li>• CGDP payments,</li> <li>• Low Income Cost-Sharing (LICS), and</li> <li>• Low Income Premium Subsidies (LIPS).</li> </ul> <p>CGDP and LICS amounts are not included in revenues. LIPS amounts are included in plan revenues.</p>
9	MLR Reporting Basic Information, HPMS Updates	MLR Reporting for MA Only Plans	<p>I was hoping you would be able to help me with 2 items.</p> <p>First, we are aware of the new requirements for companies to submit MLR data for their plans. Until recently, we have been told that we needed to submit this information through the HIOS system in the MLR module with a due date of 7/31. However, based on a recent conversation I had with the MLR team at CCIIO, this is not required for MA only plans. Can you please provide me with some additional information about reporting MLR for MA only companies like ours?</p> <p>Secondly, I think our situation has been made more confusing because we are currently receiving notifications from the CCIIO via some sort of email distribution. However, it seems to me now that most of the information that comes from this department is not relevant to us. I believe we need to be working directly with the Center for Medicare, which I hope is your department. If this is the case, can you please provide me with some information to get on an email distribution list from Center for Medicare so that we can remain up to date on all of these requirements?</p>	09/21/2015	<p>On April 8, 2015, we published a memorandum announcing the release of the Medical Loss Ratio (MLR) Reporting Tool for Contract Year (CY) 2014. The memorandum provides information about the MLR Reporting requirements for MA organizations and instructions for gaining access to the MLR Reporting Tool.</p> <p>The MLR Reporting Tool and instructions for CY 2014 may be accessed via the Health Plan Management System (HPMS) (<a href="https://hpms.cms.gov">https://hpms.cms.gov</a>) at: HPMS Home &gt; Plan Bids &gt; Medical Loss Ratio &gt; CY2014. If you do not have access to the Medical Loss Ratio module, you will need to send an email requesting access to <a href="mailto:hpms_access@cms.hhs.gov">hpms_access@cms.hhs.gov</a>.</p> <p>HPMS announcements relating to the MLR Reporting will be sent to the individuals that are identified as your organization's Medicare Compliance Officer, Medicare Coordinator, and General Contact in the Contact Data section of the Basic Contract Management module on HPMS. If any other users are specified, they will receive the HPMS memoranda as well. If you need technical assistance with HPMS, you may contact the HPMS Help Desk at <a href="mailto:hpms@cms.hhs.gov">hpms@cms.hhs.gov</a> or 1-800-220-2028.</p> <p>For more information, please see our webpage at the following address: <a href="https://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html">https://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html</a>.</p>

10	Attestation	Please help!	I have a question regarding MLR attestation. Shall attesters sign up [on] HPMS?	09/21/2015	Attesters must have HPMS access. Instructions for acquiring an HPMS user ID are available at <a href="https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/UserIDProcess.html">https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/UserIDProcess.html</a> .  Any questions regarding new user access should be directed to <a href="mailto:HPMS_access@cms.hhs.gov">HPMS_access@cms.hhs.gov</a> .
11	Attestation	MLR reporting attestations	Please confirm, according to the MLR Report filing instructions posted in HPMS (page 25), both the CEO and the CFO are required to complete the attestation with the submitted report.	09/21/2015	Only one attestation is required. The attestation is to be completed by the CEO, the COO, the CFO, or a designated Chief Compliance Officer who has been approved by CMS to sign HPMS attestations.
12	Attestation	Questions on the Medicare Advantage MLR Report due in December, 2015	The Attestation section on Page 25 of the MLR REPORT FILING INSTRUCTIONS indicate the attestation should be signed by the Chief Executive Officer and the Chief Financial Officer. Our organization has a designated Chief Compliance Officer that is designated to review and authorized to sign all attestations. Can this Officer sign the MLR attestation?	09/21/2015	See Response #11.
13	DIR	Questions on the Medicare Advantage MLR Report due in December, 2015	The Description of line 2.8b on the report is: "Direct and Indirect Remuneration (DIR) (informational only; already excluded from Line 2.8)". The MLR REPORT FILING INSTRUCTIONS indicate line 2.8b is "similar to the commercial MLR reporting form Part 1 Line 2.3. The description on the commercial Part 1 Line 2.3 is "Pharmaceutical rebates"  The two descriptions do not seem to be requesting the same information. Could you clarify what is requested for line 2.8b?	09/21/2015	The amount reported in Worksheet 1 Line 2.8b should include all direct and indirect remuneration (including discounts, charge backs or rebates, cash discounts, free goods contingent on a purchase agreement, up-front payments, coupons, goods in kind, free or reduced-price services, grants, or other price concessions or similar benefits offered to some or all purchasers) from any source (including manufacturers, pharmacies, enrollees, or any other person) that would serve to decrease the costs incurred under the Part D plan.
14	EGWPs	EGWP MLR Reporting	It was our interpretation of the final rule that only EGWP MA-PD plans would need to report MLR. If a plan is EGWP PDP only, please confirm our understanding that it would not need to report.	09/21/2015	Part D EGWPs (e.g., S and E contract "800-series" plans) are subject to the MLR requirements. EGWPs must report costs and revenue per § 422.2420 and § 423.2420 on the Medicare-funded portion of each contract.