

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
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CENTER FOR MEDICARE

DATE: November 6, 2024
TO: Medicare Advantage Organizations, Cost Plans, and Prescription Drug Plan Sponsors
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: Medical Loss Ratio (MLR) Report and Attestation Submission Reminder for Contract Year 2023

Each Medicare Advantage Organization (MAO), Cost Plan, and Part D Plan Sponsor is required to submit medical loss ratio information to CMS for each contract year (CY) pursuant to the regulations at 42 CFR §§ 422.2460 and 423.2460. On June 12, 2024, CMS released a memo with information about the CY 2023 MLR Report and filing instructions, along with the anticipated timeline for the CY 2023 MLR submissions. CMS is releasing this memorandum to serve as a reminder and confirmation of the CY 2023 MLR timeline. The upload functionality for CY 2023 MLR Reports will be available in the Health Plan Management System (HPMS) beginning Friday, November 8, 2024. The CY 2023 MLR Reports must be submitted in HPMS by **11:59 PM Pacific Time (PT) on Friday, December 6, 2024.**

The electronic attestation functionality for CY 2023 MLR will be available in HPMS beginning Monday, December 9, 2024. The CY 2023 MLR attestations must be submitted in HPMS by **11:59 PM Pacific Time (PT) on Wednesday, December 18, 2024.**

The MLR Reports and electronic attestations must be submitted in HPMS at: HPMS Home > Plan Bids > Medical Loss Ratio > CY2023. The MLR Report and instructions can be found at the same location.

Note that the MLR reporting requirements were revised by the final rule titled “Contract Year 2023 Policy and Technical Changes to the Medicare Advantage and Medicare Prescription Drug Benefit Programs” [CMS-4192-F], which expanded the amount of MLR data that MA Organizations and Part D Sponsors must submit to CMS on an annual basis beginning for CY 2023. More detailed MLR reporting requirements were reinstated and additional data collection was added on expenditures related to supplemental benefits, including, dental, vision, hearing, transportation, meals, and other supplemental benefit categories. See the CY 2023 MLR Report and filing instructions for more information regarding the reporting requirements for CY 2023 MLR.

As in prior years, CMS has released the following data that may be used in the development of MLR reporting:

- MAOs, Cost Plans, and Part D Plan Sponsors whose CY 2023 contract(s) were terminated, consolidated, or withdrawn are required to submit an MLR Report that accounts for Part C and Part D revenue, including the risk adjustment reconciliation amounts. CMS will post the Part C and Part D risk adjustment reconciliation amounts by November 8, 2024 for CY 2023 contracts that terminated, consolidated, or withdrew at: HPMS Home > Risk Adjustment > Risk Adjustment > Risk Adjustment Reconciliation Amount > CY2023. These CY 2023 values were obtained from the June 2024 Monthly Membership Report (MMR), for adjustment reason codes (ARC) 25 and 37.
- For contracts with non-Employer Group Waiver Plans (non-EGWPs) that had allocated Medicare Advantage rebates to reduce Part B premiums in the CY 2023 bid pricing tool, please review page 20 of the CY 2023 MLR reporting instructions, in which CMS described an issue with the MMR data fields. CMS will release a data report with Part B premium reduction amounts by November 8, 2024 for CY 2023 at: HPMS Home > Risk Adjustment > Risk Adjustment > Part B Premium Reduction Data > CY2023. For CY 2023 MLR reporting, MAOs should review the Part B Premium Reduction data issue described in the CY 2023 MLR reporting instructions and take into account the data published in HPMS when preparing their CY 2023 MLR.

The Part C and Part D final risk adjustment reconciliations and the final Part D payment reconciliation for CY 2023 must be included in the MLR calculation:

- Final Part C and Part D risk adjustment reconciliations for CY 2023 were included in the June 2024 MMR for ARC 25 and 37.
- Final Part D payment reconciliation for CY 2023 was included in the payment reconciliation reports released¹ on October 10, 2024, as well as expected to be in the December 2024 Plan Payment Report (PPR) for Special CMS Adjustments with the type “PRS.”
- The MLR calculation should account for several payment adjustments for data cleanups that were noted in plan payment letters following the final risk adjustment reconciliation and were included in the MMR with ARC 94 (Special Payment Adjustment Due to Cleanup). The July 2024 plan payment letter² noted payment adjustments for data cleanup CS2128580 (to address an issue where community risk scores had been inadvertently changed to new enrollee risk scores for some beneficiaries during the 2023 final risk adjustment reconciliation) and payment adjustments for data cleanup CS1906339 (to address an issue where some payment had been calculated using default risk scores). The September 2024 plan payment letter³ noted payment adjustments for data cleanup CS1831864 (to address an

¹ See HPMS memorandum dated September 27, 2024 titled *Completion of the 2023 Final Part D Payment Reconciliation and the 2023 Inflation Reduction Act Subsidy Amount (IRASA) Reconciliation*.

² See HPMS memorandum dated June 28, 2024 titled *Medicare Advantage/Prescription Drug System (MARx) July 2024 Payment – INFORMATION*

³ See HPMS memorandum dated August 29, 2024 titled *Medicare Advantage/Prescription Drug System (MARx) September 2024 Payment – INFORMATION*

issue where unintended payment adjustments were calculated using non-dialysis or non-post graft status for time periods when a beneficiary did have dialysis or post graft status).

Questions regarding Medicare MLR reporting may be sent to MLRreport@cms.hhs.gov. Technical questions may be addressed to the HPMS Help Desk at hpms@cms.hhs.gov. Additional guidance regarding MLR reporting requirements may be found at: <https://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/medicallossratio.html>. MLR guidance for Medicare-Medicaid Plans (MMPs) will be released separately; questions related to MMPs may be sent to MMCOcapsmodel@cms.hhs.gov. Thank you.