



Date: September 18, 2015

From: James Mayhew, Acting Director, Oversight Group

Title: Insurance Standards Bulletin Series—INFORMATION

Subject: CCIIO Technical Guidance (CCIIO 2015—0002): Question and Answer Regarding the Medical Loss Ratio (MLR) Reporting and Rebate Requirements for the 2014 MLR Reporting Year

I. Purpose

The purpose of this bulletin is to provide guidance regarding limited circumstances under which a health insurance issuer will not be treated as out of compliance with the regulatory deadline for 2014 reporting year MLR rebate distribution to policyholders and enrollees under section 2718 of the Public Health Service Act (PHS Act) and 45 CFR §158.240. These limited circumstances are if the issuer (1) pays the rebates no later than October 30, 2015, and (2) timely submitted its 2014 MLR Reporting Form and Risk Corridors Plan-Level Data Form but was required to resubmit those forms in September 2015.

II. Questions and Answers

REBATING PREMIUM IF THE APPLICABLE MLR STANDARD IS NOT MET (45 CFR §158.240)

Question #67:

May an issuer that timely submitted its 2014 MLR and Risk Corridors Reporting Forms but was required to resubmit those forms in September 2015, have until October 30, 2015 to distribute MLR rebates for the 2014 reporting year?

Answer #67:

Yes. The Centers for Medicare & Medicaid Services (CMS) communicated with certain issuers during August and September, 2015, requesting them to perform data validation and reconciliation of their risk corridors results and, in some cases, revise and resubmit their 2014 MLR and Risk Corridors Reporting Forms. In addition, CMS directed a number of issuers to revise and resubmit these forms due to certain changes to risk adjustment data. As a result, and in recognition of the fact that there may be instances where these issuers will be unable to distribute rebates for the 2014 reporting year by the MLR regulation deadline of September 30,

2015, CMS will not find such an issuer to be out of compliance with the MLR rebate deadline for the 2014 reporting year if the issuer disburses any and all rebates for the 2014 reporting year by October 30, 2015.

Issuers who were required to resubmit their 2014 MLR and Risk Corridor Reporting Forms that elect to use the extra time for rebate disbursement should revise their 2014 MLR notices to policyholders and subscribers by changing the due date in CMS's template notices from September 30, 2015 to October 30, 2015.