

**Instructions for the Medicare Advantage
Fiscal Soundness Reporting Requirements (FSRR)**

Effective July 2005, the **ONLY financial documentation required by CMS are the Certified Audited Financial Statements**. Under the Fiscal Soundness Reporting Requirements (FSRR) for contract year 2006, all renewing Medicare Advantage (MA) organizations are required to submit one copy of their Certified Audited Financial Statements (in PDF format) using Statutory Accounting Principles (if your state only requires financial statements prepared using Generally Accepted Accounting Principles, please provide CMS with an electronic copy). These certified audited financial statements for new and renewing MA organizations in 2006, for fiscal year ending December 31, 2006, must be submitted to CMS no later than April 30th of 2007.

Primary financial oversight remains with the MA organization's respective state(s). As a rule, if an organization is in compliance with its state's financial and reserve requirements, it is generally in compliance with CMS.

Additional Information, including Frequently Asked Questions on FSRR may be found at: http://www.cms.hhs.gov/HealthPlansGenInfo/50_FSRR.asp#TopOfPage. In addition, you may contact a Financial Review Specialist by e-mail at FinancialReview@cms.hhs.gov.

Authority to Collect Information:

The authority to collect the requested information was approved by the Executive Office of Management and Budget (OMB). The OMB approval number is: **0938-0469**.

Regulatory Authority:

42CFR 422.516(a)(5) Reporting Requirements

(a) *Required information*. Each MA organization must have an effective procedure to develop, compile, evaluate, and report to CMS, to its enrollees, and to the general public, at the times and in the manner that CMS requires, and while safeguarding the confidentiality of the doctor-patient relationship, statistics and other information with respect to the following:

(5) Information demonstrating that the MA organization has a fiscally sound operation.

