

## ***February 2019 Actuarial User Group Call***

Thursday, February 21, 2019  
11:00AM – 12:00 PM ET

**Participant Number:** (877) 251-0301  
**Conference ID:** 8570126

- Welcome
  - Reminder that a high level agenda for this call have been posted on the CMS website at: [www.cms.gov](http://www.cms.gov) > Medicare > Medicare Advantage Rates & Statistics (under Health Plans) > Actuarial Bid Questions
- Draft CY2020 BPTs and Bid Instructions were released on Tuesday
  - Announcement memo was released via HPMS on February 12<sup>th</sup> which contains the link to download the files
    - Any comments should be submitted via the website as soon as possible, but no later than Friday, March 1<sup>st</sup>
- Revisions to Bid Pricing Tools for CY2020
  - No major changes for CY2020
  - Minor additional changes to BPTs since Fall UGC
    - New yes/no input field on Part D BPT in Section 1 to indicate participation in Payment Modernization Model (PMM)
    - The default PBP to BPT mapping on MA Worksheet 3 will include new PBP categories 7j (Additional Telehealth) and 7k (Opioid Treatment Services) at the bottom of the table
      - This change was not implemented for beta testing
      - Please submit suggestions for the default BPT categories via the beta testing website no later than Friday, March 1<sup>st</sup>
- CY2020 MA Bid Instructions
  - General Comments on Beta Bid Instructions:
    - The instructions still require updating for changes in policy contained in the Call Letter, Advance Notices, Part C&D rule, the Drug Pricing Rule, and the proposed HHS OIG Safe Harbor rule
    - The risk score sections have been restructured and only the contract years have been updated
    - The MSP section has not yet been updated for CY2020
    - The general drafting notes and the revisions discussed today are not a substitute for reading the bid instructions

- Gain/Loss Margin
  - Based on feedback from the Fall UGC—
    - Bids with gain/loss margins over 12% (changed from the 8% proposed on Fall UGC) of revenue will require bid-level supporting documentation at the time of the “Initial June Bid Submission”. See the bid instructions, Appendix B, item 8.8.
    - If the projected bid margin is less than or equal to 12%, such support will continue to be required upon request (Appendix B, item 38)
  - Several clarifications have been made to the Gain/Loss margin rules. For example,
    - Exception requests and approvals apply only to the contract year being priced
    - For Part D, we clarified which bid-level and aggregate-level gain/loss margin rules apply to PDP, PACE, Cost, and MA-PD plans
  - Please review the pricing considerations and section 8 of Appendix B
- Risk Score
  - Risk score sections have been reorganized and streamlined in order to reduce the level of detail consistent with other pricing assumptions
  - Technical information that has been deleted will be included in other CMS publications
- Health Insurer Fees
  - In 2018, Congress approved a one-year moratorium on collecting insurer fees for 2019. Without additional legislation, the moratorium is set to lapse in 2020
  - Our expectation is that bid assumptions are based on the statutory provisions that will be in effect for the contract year
  - It is acceptable to consider the likelihood of current law continuing given that the bid must reflect the best estimate at the time of bid submission of required revenue for the contract year. Supporting documentation must provide reasonable justification for bid assumptions that vary from statutory provisions
  - There is not an opportunity to modify bid assumptions for legislative changes that occur after the bid submission deadline
  - This is consistent with the response given on the 5/11/2017 UGC
- Other Part D Changes
  - In the CY2020 PD instructions worksheet 2, Section II – Utilization for Covered Part D Drugs, under column K - induced utilization, we have removed the first reference to “DS”. This column must now adjust for the utilization difference between the base period benefit and the base period defined standard benefit. Changes between the base period benefit after the induced utilization adjustment and the contract period defined standard benefit must be reported in the “Other Change” columns as described in the pricing considerations for coverage in the gap. This is a change from prior guidance.

- Advance Notice and draft Call Letter were released on Wednesday, January 30<sup>th</sup>. Comments are due by 6:00 PM EST on Friday, March 1<sup>st</sup>.
- Actuarial Certification
  - The overall process will be similar to last year
  - Letters are required to access the CY2020 actuarial certification module (by contract)
  - An announcement memo (with details and instructions) will be released via HPMS soon
  - Letters will be due back to CMS by mid-April
  - The Actuarial Certification Module expected to be released May 17<sup>th</sup>
  - Initial actuarial certification is due to CMS on June 7<sup>th</sup>
- OOPC/TBC/meaningful differences/discriminatory cost sharing
  - A revised CY2019 “Medicare Plan Finder” OOPC model version was released in December
    - This will serve as the baseline for CY2020 change in TBC
    - Work with that model for initial design of CY2020 benefit packages
    - See HPMS announcement dated Dec 21<sup>st</sup>
  - CY2020 OOPC calculator tool is expected to be released in April
- For reference, we have provided the links to the new VBID model and the Payment Modernization Model on the CMMI webpage:
  - VBID: <https://innovation.cms.gov/initiatives/vbid/>
  - PMM: <https://innovation.cms.gov/initiatives/part-d-payment-modernization-model/>
- We have received questions around how the proposed HHS OIG Safe Harbor rule may impact bidding for CY2020. We are not able to provide any additional guidance at this point in time.
- Upcoming Timeline
  - Rate Announcement and final Call Letter to be released on Monday April 1<sup>st</sup>
  - Bid Forms and Instructions to be released on Friday April 5<sup>th</sup>
  - Online Bidders Training to be released on Friday April 5<sup>th</sup>
  - Weekly Actuarial User Group Calls: Thursdays, April 11<sup>th</sup> through May 30<sup>th</sup>
  - Bid Submission deadline Monday June 3<sup>rd</sup>
  - Initial actuarial certification due to CMS on June 7<sup>th</sup>
- Live Q&A
- Conclusion