

CMS Guidance Regarding Medicare Medical Loss Ratio (MLR) Reporting Requirements: Q&A

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 |
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| 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) | [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? 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) | 04/20/2015 | Cost plans that do not offer Part D are not required to complete or submit an MLR Report. Cost plans that offer Part D are required to complete and submit an MLR Report for the Part D portion of the contract. |
| 4 | 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. |
| 5 | 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"> • Medicare MLR final rule: http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html • Medicare MLR reporting instructions, available in HPMS • Medicare MLR Q&As: http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/MedicalLossRatio.html • Medicare MLR mailbox (MLRreport@cms.hhs.gov) • Commercial MLR regulations, instructions, Q&As, guidance: http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio.html |

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| 6 | 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. |
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