

## Announcements (4/17/2025 UGC)

### 1) Similar to last year, OACT intends to post the advance Q&A file the morning of the Thursday User Group Calls

- The questions for this week's call were posted on the CMS website this morning at <https://www.cms.gov> > Medicare > Payment > Medicare Advantage Rates and Statistics > Actuarial Bid Questions within the CY2026 Actuarial Bid Questions document. You may want to open this file to follow along during the Q&A portion of this call.
- This file will only contain the questions asked in advance that we plan to address on the call. The responses will not be included in this early posting but will be posted after the call.
- The intent of this advance posting is to help listeners follow along during the Q&A portion of the call.
- Note that this is just a draft and some questions could be added/removed/or modified prior to the final posting.
- If a response read on the call is not clear, please ask additional questions either live on the call or by submitting them in writing to the actuarial-bids mailbox.
- In order to help us respond in a timely manner to feedback that involves other areas of CMS, we ask that you please copy the appropriate resource mailboxes in addition to any emails sent to the actuarial-bids mailbox. These email addresses can always be found in the introductory note within the UGC Q&A file.
- Also note that some questions require more discussion and coordination among our group and may be postponed until a later call if necessary.
- We also plan to post the key announcements from our call each week following the call, similar to last year.

### 2) CY2026 Bid Forms and Instructions

- BPTs and bid instructions were released via HPMS on Friday, April 11<sup>th</sup>
- The files were also posted on the CMS website, under:  
<https://www.cms.gov> > Medicare > Payment > Medicare Advantage Rates & Statistics > Bid Form & Instructions
- We appreciate the feedback we received during the industry beta testing period. We have incorporated clarifications within the bid instructions.
- No significant Bid Pricing Tool (BPT) changes from February Beta Release.
- Instruction Changes from Beta Release:
  - MA Instructions
    1. We updated language for rebate reallocation in Appendix E in response to feedback from industry. This included:
      - a. Updating Appendix E 1.1.2 to indicate that a partial return will be accepted in cases where the rebate amount allocated to the Part D basic premium is \$0 and the Part D basic premium changes from negative to positive after the release of the NAMBA and BBP.
      - b. Updating Appendix E 11.1.1 to clarify that this option must be used when the MAO does not participate in rebate reallocation (whether by choice or by requirement).
      - c. Updating Appendix E 11.1.2 to clarify that this option must be used when the MAO participates in rebate reallocation (whether by choice or by requirement).

- Part D BPT Instructions
  1. For Worksheet 3, we clarified that insulin cost sharing must be reflected in the “Other Cost Sharing PMPM” column, and that insulin costs must not be reflected in the “PMPM Deductible” column since insulins are not subject to the deductible.
  2. For Worksheet 6, we clarified that insulins and vaccines are not subject to the deductible. As such, insulin and vaccine costs must not be included in the Claims Subject to Deductible lines.
  3. For the Worksheet 3 “Number of Members” column, we clarified what lines members, and their costs, must be reported on.
    - a. If the member’s allowed claims are \$0, the member must be reported in Line 1. If the member’s allowed claims exceed \$0, but do not exceed the deductible, the member must be reported in Line 2. If the member’s allowed claims exceed the deductible, but the member’s TrOOP costs have not exceeded the out-of-pocket limit, the member must be reported in Line 3. If the member’s TrOOP costs have exceeded the out-of-pocket limit, the member must be reported in Line 4.
  4. For both Worksheets 3 and 6, we clarified that all TrOOP-eligible costs must be considered when determining where members and their costs are reported on these two worksheets.
    - a. We remind plans that TrOOP-eligible costs for drugs not subject to the DS deductible, specifically covered insulin products, TrOOP-eligible costs for drugs not subject to a non-DS plan deductible, and TrOOP-eligible costs for drugs subject to a reduced deductible under a non-DS plan, all count towards a beneficiary’s satisfaction of the DS deductible.

### 3) Actuarial Bid Training

- A basic overview of the Medicare Advantage and Part D programs and bid forms for actuaries and other interested parties can be downloaded and printed at any time from the OACT webpage (<https://www.cms.gov/medicare/payment/medicare-advantage-rates-statistics/actuarial-bid-training>).
  - The training consists of 3 sessions:
    - Introduction to Bidding
    - BPT 101
    - Introduction to Bid Review, Audit, and Bid Improvement Initiative
  - Sections 4 (Rebate Reallocation Review) and 5 (Rebate Reallocation Tool Demo) of the rebate reallocation training will be updated and posted alongside an updated rebate reallocation tool next week. Sections 1-3 of the training and the rebate reallocation flow chart do not require any updates for CY2026.
- 4) The Office of the Actuary has posted the following ratebook-related items on the CMS website at: CMS Home > Medicare > Payment > Medicare Advantage - Rates & Statistics > FFS Trends.
- FFS unit cost trends for 2024-2026
  - FFS per capita trends for 2021-2026
  - Non-ESRD FFS USPCC-to-ratebook reconciliation

- 5) Contract Year (CY) 2026 Final Part D Bidding Instructions were released via HPMS on Tuesday, April 1<sup>st</sup>
- 6) Final Contract Year (CY) 2026 Standards for Part C Benefits, Bid Review and Evaluation were released via HPMS on Wednesday, April 16<sup>th</sup>
- 7) CY 2026 Part D Formulary Submission Information was released via HPMS on Wednesday, April 16<sup>th</sup>
- 8) The CY2026 Final C&D Regulation was released on Friday April 4<sup>th</sup> and a summary of key provisions can be found at: <https://www.cms.gov/newsroom/fact-sheets/contract-year-2026-policy-and-technical-changes-medicare-advantage-program-medicare-prescription-final>
- 9) Release of risk score data for CY2026 bidding
  - Bene-level files released to support MA and Part D bidding
  - See HPMS memo from 4/10 that provides information beneficiary-level files and informs plans that there may be potential action that is needed for them to accept these new files.
- 10) Bid Submission - On May 2, 2025, CMS will release the CY 2026 Bid Submission module in HPMS.
- 11) Please remember that if you would like your questions answered on the call and a written response posted on our webpage, you must submit your questions in advance.

## Announcements (4/24/2025 UGC)

- 1) OACT has released CY2026 industry tools via the CMS website at: CMS Home > Medicare > Payment > Medicare Advantage – Rates & Statistics > Bid Forms & Instructions > 2026.
  - MA PBP to BPT Comparison Tool
  - Gain/Loss Margin Tool
  - Rebate Reallocation Tool
    - The most significant updates include (i) fixes for issues identified in last year's tool; (ii) new options for inputting data for analysis so that users are not required to upload BPTs; and (iii) updates to tests to include the premium-rounding step.
- 2) The Office of the Actuary has posted documentation of the development of the 2026 MA actuarial equivalent factors on the CMS website at CMS Home > Medicare > Payment > Medicare Advantage - Rates & Statistics > Bid Forms and Instructions > 2026
- 3) Release of 2026 OOPC Models
  - 2026 Out-of-Pocket Cost models were released via the CMS website at: [www.cms.gov](http://www.cms.gov) > Medicare > Coverage > Prescription Drug > Out-of-Pocket Costs
  - See the HPMS memo released on April 17th for more information
  - For technical questions about the OOPC models, please email [OOPC@cms.hhs.gov](mailto:OOPC@cms.hhs.gov)
- 4) Release of plan-specific TBC data.
  - Plan specific TBC data was posted in HPMS at: HPMS Home > Quality and Performance > Performance Metrics > Reports > Costs > Part C Total Beneficiary Costs
  - If you are having issues accessing this data, please contact the HPMS Help Desk at 1-800-220-2028 or [hpms@cms.hhs.gov](mailto:hpms@cms.hhs.gov).
  - Any questions regarding the plan-specific TBC data can be sent to [actuarial-bids@cms.hhs.gov](mailto:actuarial-bids@cms.hhs.gov).
  - Any questions beyond the plan-specific TBC data (ex: questions on the memo or regarding OOPC/TBC policy) should be sent to <https://mabenefitsmailbox.lmi.org/MABenefitsMailbox/>.
- 5) Bid Submission - On May 2, 2025, CMS will release the CY 2026 Bid Submission module in HPMS.
- 6) Please remember that if you would like your questions answered on the call and a written response posted on our webpage, you must submit your questions in advance.

## Announcements (5/01/2025 UGC)

- 1) Bid submission functionality in HPMS available starting tomorrow.
  - *We ask that each organization “test the process” early.*
  - A bid can be submitted repeatedly until the deadline, (11:59 PM PT) Monday, June 2<sup>nd</sup>, at which time all gates close.
- 2) The Final Contract Year (CY) 2026 Standards for Part C Benefits, Bid Review and Evaluation HPMS memo and the Contract Year (CY) 2026 Final Part D Bidding Instructions HPMS memo refer to the policies regarding incomplete and inaccurate bid submissions and plan corrections in the CY2020 Call Letter. Relevant portion of the Call Letter is as follows:
  - “CMS will issue a compliance notice or request for a corrective action plan to organizations and sponsors that submit clearly inaccurate bids or otherwise violate bidding procedures. Actions triggering such compliance action could include, but are not limited to, the resubmission of bids prior to CMS authorization for bid modification, failure to meet Part C and D requirements, or failure to meet established thresholds. In addition, organizations and sponsors that submit inaccurate bids may not be allowed to revise their bids to correct inaccuracies, and the bids may be denied. Organizations and sponsors should engage in sufficient due diligence to make certain their bids are accurate before submission.” (p. 165)

## Announcements (5/08/2025 UGC)

- 1) Bid submission functionality in HPMS is available
  - *We ask that each organization “test the process” early.*
  - A bid can be submitted repeatedly until the deadline, (11:59 PM PT) Monday, June 2<sup>nd</sup>, at which time all gates close.
- 2) Verify your compliance with the Academy’s *Qualification Standards* before certifying bids.
  - Members of the *Society of Actuaries* should update their “SOA CPD attestation status” at <https://store.soa.org/?returnurl=%2fMy-Account%2fSOA-CPD-Attestation>.
  - Some certifying actuaries are currently listed as non-compliant on <https://www.actuarialdirectory.org/>.

## Announcements (5/15/2025 UGC)

We have received several inquiries regarding how to address negative Part D basic premiums in specific scenarios related to the CY2026 initial and rebate reallocation submissions. Additionally, there have been questions about whether OACT will allow PBP-level variation in the NAMBA estimate in initial submissions.

- OACT continues to believe that the direct subsidy estimates should be consistent across bids within the same organization. Given the ongoing phase-in of the IRA for CY2026 bids, OACT will allow varying assumptions for the direct subsidy for CY2026, as was allowed for CY2025—provided the certifying actuary can justify the estimate. OACT expects reasonable estimates and may challenge assumptions if significant discrepancies are observed.
- MA and Part D margin requirements specified in the bid instructions must be followed for the initial submission.
- Plan sponsors may submit a total negative Part D premium in the initial submission.
  - i. While a red circle validation will flag total Part D premiums below \$0, CMS will accept these for initial submissions. However, negative total Part D premiums will not be permitted in the final submission.
  - ii. The critical validation for the estimated total plan premium in the MA BPT will remain in place.
  - iii. Plan sponsors should enhance Part D benefits to the greatest extent feasible to offset the negative premium.
  - iv. In accordance with CY2025 UGC #1573 guidance, consider the availability of a Part B premium buydown to reallocate during rebate reallocation if the goal is to maintain a \$0 total plan premium. The CY2026 rebate-reallocation tool has been updated to accurately reflect Part B premium buydown adjustments, and this guidance includes scenarios where a plan's premium changes from negative to less negative.
- If an MA-PD plan has a negative total Part D premium at initial submission, the plan sponsor must provide supporting documentation. The supporting documentation must—
  - (i) Be provided in an Excel file;
  - (ii) Be titled using the format **[PlanID]\_NegativePDPrem\_[YYYYMMDD]\_[v##]**;
  - (iii) Explain the reason for the negative Part D basic premium; and
  - (iv) Describe how the plan intends to resolve the situation if it still has a total negative Part D premium at the time of rebate reallocation.

## Announcements (5/22/2025 UGC)

- 1) Following the OACT User Group Call on May 15, OACT posted responses to all five questions discussed during the call, as well as a sixth question and response related to Part D copay buydowns for low-income beneficiaries that was not discussed during the call. Additionally, we received several follow up questions and have included those in this week's Q&A file. These questions relate to D-SNP plans that use state-funded wrap coverage to offer zero-dollar Part D cost sharing.
- 2) Bid submission functionality in HPMS is available.
  - *We ask that each organization "test the process" early.*
  - A bid can be submitted repeatedly until the deadline, (11:59 PM PT) Monday, June 2<sup>nd</sup>, at which time all gates close.
- 3) OACT will be conducting preliminary checks for inconsistencies between the PBP and the MA BPT. We will notify plans of these inconsistencies by email May 28 through June 2. We realize the bids you have submitted so far may not be final. Nevertheless, the notices provide a chance to reconcile these inconsistencies prior to the submission deadline.
- 4) OACT will also be conducting additional bid quality checks again this year. Plans can avoid being contacted with issues by carefully peer reviewing their bids. We intend to send out emails to plans May 28 through June 2 for bids already uploaded into HPMS to help ensure compliance prior to final bid submission.



## Announcements (5/29/2025 UGC)

- 1) A refreshed version of the Part D Bid Review OOPC model based on the CY2026 May Formulary Reference File (FRF) update has been posted to the OOPC Resources page. Please refer to the HPMS blast sent out on May 23<sup>rd</sup> for more information.
- 2) The bid submission deadline is 11:59 PM PT on Monday, June 2<sup>nd</sup>.
  - Supporting documentation required with the initial bid submission must be submitted by this same deadline.
  - Reminder – As mentioned on the May 15<sup>th</sup> UGC, if an MA-PD plan has a negative total Part D premium at initial submission, the plan sponsor must provide supporting documentation. The supporting documentation must—
    - (i) Be provided in an Excel file;
    - (ii) Be titled using the format [PlanID]\_NegativePDPrem\_[YYYYMMDD]\_[v##];
    - (iii) Explain the reason for the negative Part D basic premium; and
    - (iv) Describe how the plan intends to resolve the situation if it still has a total negative Part D premium at the time of rebate reallocation.
- 3) If you need assistance with actuarial issues between today's call and Monday's deadline, e-mail your question/issue to: [actuarial-bids@cms.hhs.gov](mailto:actuarial-bids@cms.hhs.gov)
  - We will do our best to respond as quickly as possible.
- 4) Any issues related to bid upload should be directed to the HPMS Help Desk at:  
1-800-220-2028 or [hpms@cms.hhs.gov](mailto:hpms@cms.hhs.gov)
- 5) The actuarial certification process will be similar to last year.
  - The initial actuarial certification deadline will be Friday, June 6<sup>th</sup>. Please see the HPMS memo that was released yesterday for more details.
- 6) Shortly after the bids are received, the bid review process will begin. OACT has contracted with several actuarial firms, similar to previous years.
  - We request your cooperation and responsiveness when contacted during the bid review process.
  - Please ensure that staff are equipped to answer bid review inquiries if you will be out of the office.
  - We ask that you confirm receipt when you receive an inquiry to a bid review.