

CY2013 Actuarial Bid Training OACT Compliance Initiative

CMS Office of the Actuary
April 2012



CY2013 Bids & Bid Review

- Compliance Initiative
 - Standards
 - Possible Actions
 - CY2012 Results
- Tips and recommendations for CY2013 bids
- Planning information



Compliance Initiative Standards

- Compliance standards
 - Code of Conduct, ASOPs
 - Laws, Regulations
 - CMS Guidance: Bid Instructions, UGCs, HPMS Notices
- Covers Compliance During Review and Audit
- Peer Review & Documentation



Compliance Actions

- Compliance actions could include
 - Phone calls
 - Notice of non-compliance
 - Warning letters
 - Corrective Action Plans (CAPs)
 - Marketing and enrollment limitations
 - Plan Termination



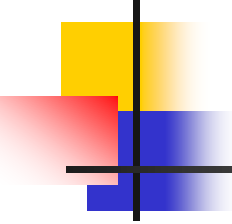
Compliance Initiative CY2012 Evaluation Categories

- Reviewers categorized issues as—
 - Instructions
 - Documentation
 - Responsiveness
 - Bid errors/lack of peer review
 - Knowledge/Expertise



Compliance Initiative CY2012 Results

- 13 cases warranted phone calls
- 6 forwarded to compliance groups
- Small number of certifying actuaries
- Review of cases instructive for all



Compliance Initiative CY2012 Results (cont.)

- Conduct that resulted in action by OACT
 - Multiple Errors and/or Lack of Peer Review
 - Inadequate supporting documentation
 - Inadequate responses during bid review
 - Not knowing bid requirements



Compliance Initiative CY2012

Lessons Learned

- Certifying Actuary is responsible for—
 - Understanding ALL bid requirements
 - Resolve questions gray areas before bid submission
 - Ensuring sufficient time for diligent bid development
 - All tasks carried out by others
 - Appropriate use/documentation of models



OACT Compliance Initiative CY2013

- OACT will continue compliance initiative
- Reviewer feedback maintained
- Goals:
 - Accurate & transparent bids
 - Efficient & effective bid reviews



OACT Compliance Initiative CY2013 (cont.)

- Compliance issues are treated like bid audit findings and observations
 - CY2012 issues remedied in CY2013 bids
 - Supporting documentation must describe remedies
 - ALL issues must be addressed—whether the certifying actuary agreed or not



Compliance Initiative CY2013

Certifying Actuaries

- Work towards compliance
- Know bidding requirements
 - May obtain CE credits
- Seek adequate peer review
- Professional conduct throughout



CY2013 Bid Tips and Recommendations

- Thorough documentation can avert many questions by reviewers
- Upload bid-specific information
 - Include all information about that bid
 - Explain why the assumption is appropriate
 - Address changes made during bid review



CY 2013 Bid Tips and Recommendations (cont.)

- Check BPT and PBP consistency
- Ensure consistency between projected allowed costs and risk score
- Check that utilization types and values match across worksheets



CY 2013 Bid Tips and Recommendations (cont.)

- Review all flagged data validations
- Check the accuracy of every upload
- Avoid carelessness (e.g., uploading the incorrect files repeatedly)



Planning Information

- Initial bid review correspondence sent by June 29
- OACT internal reviews
 - Red-circle validations and data checks
 - MA BPT to PBP Consistency
 - MA WS2 vs. WS3 utilization
 - Optional Supplemental Benefits Pricing



Questions?

- CY2013 MA Bid Instructions
- CY2013 Part D Bid Instructions
- OACT mailbox: actuarial-bids@cms.hhs.gov
- OACT weekly actuarial user group calls