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TO: All Current Medicare Advantage, Prescription Drug Plans, 1876 Cost Plans, and PACE Organizations

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SUBJECT: Release of the Health Plan Management System (HPMS) Fiscal Soundness Module

CMS is pleased to announce the release of the HPMS Fiscal Soundness functionality for 2009 audited annual financial submissions and 2010 quarterly financial submissions. To access the Fiscal Soundness module, plan users should use the following navigation path: HPMS Homepage > Monitoring > Fiscal Soundness.

The Fiscal Soundness Reporting Requirements (FSRR) apply to all Medicare Advantage (MA), Prescription Drug Plans (PDP), 1876 Cost Plans and PACE Organizations that have active contracts (initial and renewing) in Contract Year (CY) 2010. All organizations (except PACE) must provide CMS with their 2009 annual audited financial statements **no later than April 30, 2010 at 11:59 pm Pacific Standard Time (PST)**.

CMS would like to highlight two key changes implemented in the Fiscal Soundness module for the 2010 submission year:

- All contracts with the same NAIC number must submit financial reports together under one annual submission. This change may result in a combined submission that contains both PDP and MA-PD contracts. You will receive an error message if you try to complete a submission that does not contain all contracts with the same NAIC number.
 - For those contracts required to submit quarterly financial data, all contracts that have the same NAIC number must also submit in one combined submission.
 - If you do not see all of the contracts with the same NAIC number in the Fiscal Soundness contract selection list, you may request access to those additional contract numbers via HPMS_Access@cms.hhs.gov.

- PACE organizations must submit their financial material based on the Accounting Fiscal Year End Date entered in the HPMS Basic Contract Management module:
 - PACE organizations' annual audited financial statements are due 180 days after the Accounting Fiscal Year End Date.
 - PACE organizations in their first three years of operation must submit for Quarter 1, Quarter 2, Quarter 3, and Quarter 4. Some PACE contracts may be required to submit this material after the first three years, if deemed necessary by CMS due to fiscal solvency concerns. In this case, CMS would require quarterly financial statements consisting of a balance sheet, income statement, and cash flow statement. All quarterly financial information is due 45 days after the end of the quarter.
 - Due to the nature of PACE having non-calendar year ends, PACE organizations now have the ability to submit financial reports for years 2009, 2010, and going forward into 2011.

For more information on the Fiscal Soundness Reporting Requirements, please visit http://www.cms.hhs.gov/HealthPlansGenInfo/50_FSRR.asp#TopOfPage or the “User Guide” link on the Fiscal Soundness Start Page in HPMS.

Questions concerning the Fiscal Soundness Reporting Requirements may be sent in an email to FinancialReview@cms.hhs.gov or may be directed to the financial management specialist assigned to your plan as specified on the Fiscal Soundness Start Page in HPMS.

If you require technical assistance, please contact the HPMS Help Desk (hpms@cms.hhs.gov or 1-800-220-2028) or Sara Silver (sara.silver@cms.hhs.gov or 410-786-3330).