

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE

DATE: January 4, 2024

TO: Medicare Advantage Organizations, Cost Plans, and Prescription Drug Plan Sponsors

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: Update regarding Medical Loss Ratio Data Form and Attestation Submission for Contract Year 2022

Each Medicare Advantage Organization, Cost Plan, and Part D Plan Sponsor is required to submit medical loss ratio (MLR) information to CMS for each contract year (CY) pursuant to the regulations at 42 CFR §§ 422.2460 and 423.2460.

On June 2nd 2023, CMS released a memo with information regarding the CY 2022 MLR data form and filing instructions, along with the anticipated timeline for the CY 2022 MLR submissions. CMS is releasing this memorandum to provide an update regarding the timing of CY 2022 MLR submissions and deadlines.

CMS has recently released information within several memos regarding an issue pertaining to low-income subsidy (LIS) data:

- On November 29th 2023, we released a memo titled “Medicare Advantage/Prescription Drug System (MARx) December 2023 Payment – INFORMATION”, in which we discussed that, on November 8th 2023, data changes were implemented to correct open-ended LIS periods that were out of sync with Social Security Administration (SSA) records, such that the corrected end dates to LIS periods were retroactively populated. Payment adjustments from this data change appeared in the January 2024 Monthly Membership Report (MMR) with an Adjustment Reason Code (ARC) 31 (Retroactive Change to Part D Low Income Status).
- On December 22nd 2023, we released a memo titled “ACTION: Open-ended Low Income Subsidy (LIS) periods correction”, in which we noted that the data adjustments had caused unanticipated beneficiary impact, which were a direct consequence of government data systems being out of sync. We announced that CMS is currently working through a process to resolve the issues, and that we expect the associated reductions in the January 2024 payment pertaining to the LIS data issue would be reversed once CMS is able to establish a process, and that additional instructions would be forthcoming.
- On December 29th 2023, we released a memo titled “Medicare Advantage/Prescription Drug System (MARx) January 2024 Payment – INFORMATION”, in which we reiterated that the January 2024 payment included a reduction in payments pertaining to the LIS data issue, and

that CMS expects these payment reductions to be reversed once CMS is able to establish a process and that additional instructions will be forthcoming.

To allow time for these anticipated reversals, the upload functionality for CY 2022 MLR data forms will not begin on January 5th 2024 as previously anticipated. The deadlines previously announced for the submission and attestation of CY 2022 MLR data forms are postponed until further notice. We will release a memorandum as soon as we are able to determine the revised submission window and deadlines for CY 2022 MLR. We appreciate your patience.

Questions regarding MLR reporting may be sent to MLRreport@cms.hhs.gov.