User Group Call Date 02/20/2025

Introductory note

1) For questions regarding bid instructions or completing the BPTs: actuarial-bids@cms.hhs.gov
For COVID-19 policy and benefit related questions: https://ma-covid19-policybenefits.lmi.org/covid19mailbox
For Part C policy-related payment questions: PartCpaymentpolicy@cms.hhs.gov
For Part C policy-related questions (including OOPC/TBC policy): https://mabenefitsmailbox.lmi.org/
For Part D policy-related questions: partdpolicy@cms.hhs.gov
For Part D benefit-related questions (including OOPC/TBC policy): partdbenefits@cms.hhs.gov
For questions related to risk score models and released data: riskadjustmentpolicy@cms.hhs.gov
For questions related to the Encounter Data Processing System: riskadjustmentoperations@cms.hhs.gov
For technical questions regarding the OOPC model: OOPC@cms.hhs.gov
For questions related to the Health Plan Management System (HPMS): HPMS@cms.hhs.gov
For questions related to the Medicare Advantage Prescription Drug system (MARx): MARXSSNRI@cms.hhs.gov
For questions related to the Medicare Part D Coordination of Benefits: PartD_COB@cms.hhs.gov

#	Topic	Date E-Mail Sent	E-mail Subject	E-Mail Body Text	CMS Response
1	ESRD	N/A	N/A	Can you expand on the change to the ESRD definition for CY2026, to Chronic Kidney Disease (CKD) with two categories—(i) CKD requiring dialysis/ESRD; and (ii) CKD not requiring dialysis? Is this a broader change to the current three ESRD categories of dialysis/transplant/post-graft that would affect plan payments, or is this limited to ESRD-SNPs	The Final Rule, effective June 3, 2024 codified the list of 22 chronic conditions to be used by CMS to approve C-SNPs. One of the changes includes renaming the "End Stage Renal Disease (ESRD) requiring dialysis" condition category to "Chronic kidney disease (CKD)" with the following conditions: CKD requiring dialysis/ESRD, and CKD not requiring dialysis. This rule change does not change the plan payments for ESRD beneficiaries.
2	Risk Sharing	N/A	N/A	Our capitation arrangements often have non-contingent, fixed PMPM care coordination fees associated with them. We typically report these amounts as a medical expense. Should these care coordination fees be included in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4?	No, these amounts should not be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. Only amounts payable contingent on achieving a certain outcome specified in a risk-sharing arrangement contract should be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. Fixed amounts, such as salaries, FFS payments, capitations, or returned withholds, should not be included in these cells.
3	Risk Sharing	N/A	N/A	Should monthly capitation payments, as defined in ASOP 5, be included in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4, or should only payment adjustments be included in these cells?	No, these payments should not be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. Fixed amounts, such as salaries, FFS payments, capitations, or returned withholds, should not be included in these cells. Only amounts payable contingent on achieving a certain outcome specified in a risk-sharing arrangement contract should be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. As an example, assume that a plan sponsor contracts with a MA provider to provide MA services. The contract specifies that the provider will be paid FFS, and that the provider will share in 100% of the upside and downside risk when an 85% target medical loss ratio is not achieved (100% is used as an example, but this percentage could be any number). Assume the following: MA Revenue = $1000 MA Claims = $900 Target MLR Claims = $850 MA claims fall above the target by $50 ($850 – $900), for a total settlement payment from the provider to the insurer of $50 (100%* $50). If the arrangement is between a provider and a single bid, negative $50 is what should be reported in the Risk-Sharing Arrangement Payment Adjustment cells on MA Worksheets 1 and 4. If the arrangement is between a provider and multiple bids, this amount would be allocated among all participating bids. If you are uncertain about whether an item should be reported in these cells, please contact the actuarial-bids mailbox.

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4	Gain/Loss Margin	N/A	N/A	OACT has proposed that plans with gain/loss margins as a percentage of revenue less than −10 percent that have existed since CY2022 be added to those requiring additional documentation under Appendix B Section 8.6. Can OACT please confirm (a) if the plan(s) to be included are those that are less than −10 percent only in the bid year, regardless of the gain/loss margins since CY2022 (that is, the plan could have had a positive gain/loss margin at any point since and including CY2022) and (b) if the plan(s) to be included are only those that have a continuing Contract-Plan ID-Segment ID since CY2022.	(a) The plans to be included are only those that are less than −10 percent in the bid year, regardless of what the plan's margin was in prior years. (b) The plans to be included are only those that have had a unique Contract-Plan ID-Segment ID since CY2022
5	Inflation Reduction Act (IRA)	01/28/2025 10:38	Questions about Reporting Estimated Remuneration at POS Amount (ERPOSA) in CY2026 PD BPT WS1	The PDE data of CY2024 which will be reported to CY2026 PD BPT WS1 has the field of "Estimated Remuneration at POS Amount (ERPOSA)" which for 2024 includes the full cost of the Part D Plan-Facilitated USG PAP. We have two questions about how to report this field in WS1. 1. Will this field be included in the claim allowed in lines 1 to 6? 2. Will this field be included in the total rebates in line 7 if it is not included in the total allowed?	The ERPOSA must be reflected in the allowed cost in lines 1–6 on Worksheet 1 of the CY2026 Part D BPT.
6	Base Period Experience	N/A	N/A	For reporting members, scripts, and costs by ending phase on WS1, will CMS provide more explicit guidance about how to estimate when the 2026 TrOOP threshold is met for NLI and LI members?	- Worksheet 1 Section III – Part D Claims Experience: - When completing the CY2024 base period experience in the CY2026 BPT, plan sponsors must enter the number of members with total CY2024 allowed costs equal to $0, between $1 and $544, between $545 and catastrophic, and above catastrophic. - For the purposes of completing Worksheet 1 of the CY2026 BPT, all members with TrOOP costs less Gap Discount amounts greater than $2,100 are considered to have reached the catastrophic phase. - This is a temporary transition for one more year until the base period benefit phases align with the IRA. - Plan sponsors should not enter Gap Discount amounts into column J, Average Cost Sharing per Member on WS1. Gap Discount amounts will need to be a component of base period reconciliation to financials. - For Plan-to-Plan transaction reporting on worksheet 1, plans will need to estimate the gap discount using whatever method they believe produces the most reasonable result and provide support for that methodology
7	Selected Drug Subsidy	N/A	N/A	We are aware the Selected Drug Subsidy will be paid to plans for MFP drugs in 2026 below the catastrophic threshold. Will the Selected Drug Subsidy be reduced in the event that there are manufacturer rebates associated with MFP drug claims, similar to how rebates are distributed between plans and the federal government based on the plan's gross reinsurance?	The Selected Drug Subsidy will be reconciled dollar for dollar with what is reported on the PDE and what the plan receives in prospective payments (meaning, in totality, the plan will be paid the amount that is reported on the PDE). We will not be removing the reported DIR from the actual payment amount, which is what we do in the reinsurance reconciliation.

User Group Call Date 04/17/2025

#	Topic	Date E-Mail Sent	E-mail Subject	E-Mail Body Text	CMS Response
1	FFS Trends	03/25/2025 11:51	FFS Trend Questions for OACT	What specific elements are captured in the non-negligible 'other' line items in the PMPM trend buildup within the CMS file titled 'Trends Supporting 2026 Growth Rates'? Specifically, the 'other' trend components in the Part A − PMPM Trend (2026 Rate Announcement) section (bottom of page 1 – page 2) and the Part B − PMPM Trend (2026 Rate Announcement) section (page 4 – page 5).	
2	FFS Trends	03/25/2025 11:51	FFS Trend Questions for OACT	Does the CY 2025 2.93% reduction in average payment rates under the PFS capture the impact of new policies in the calendar year 2025 Medicare Physician Fee Schedule including the temporary additional payments for certain non-opioid treatments and the new G codes for SPI (G0560), FCI (G0544), DMHT (G0552, G0553, G0554), and Interprofessional Consultations (G0546-G0551)? If so, what has CMS valued as the impact of these items?	
3	FFS Trends	03/25/2025 11:51	FFS Trend Questions for OACT	Can CMS provide detail and quantification regarding the expected impact of tariffs on the FFS trend? Does CMS have an expectation for the impact on medical supply and drug costs? Will potential future tariffs be considered when projecting FFS trends in the Final Rate Notice?	
4	FFS Trends	04/07/2025 6:02	Pre-exposure prophylaxis (PrEP)	Was there consideration for the impact of Pre-exposure prophylaxis (PrEP) on the 2025 and 2026 Medicare FFS trends? If so, please provide the PMPM trend impacts of including PrEP or the estimated PMPMs for PrEP.	
5	Base Period Experience	04/09/2025 9:56	Part C Wk 1 Question	My client inadvertently paid for some non-emergency transportation claims in 2024 for a plan that did not have the benefit in the PBP. Should this experience be excluded from Worksheet 1 of the Part C BPT (so it would be included as a line item in the financial reconciliation)? Or include as a claims expense or NBE?	
6	Base Period Experience	03/05/2025 12:06	BPT Paid Through Date	Some of our CY2026 bids will have base period plans whose FFS claims are paid on different claim systems. One system will only have runout available through 1/31/25 for the bids, while the other can be updated through 2/28/25. Is it allowable to use different runout periods for each base plan? If so, should we put the latest paid through date in WS1 cell E16 of the MA BPT (in this case, 2/28/25)?	
7	Risk Sharing Arrangements	N/A	N/A	Last year for CY2025, there were five CMS responses under the topic, "Risk Sharing Arrangements." The responses include the following from the cumulative UGC Q&A file: 1547, 1548, 1555, 1562, and 1565. Does CMS have updated responses, or can we continue to follow the same responses for CY2026?	
8	MMP	N/A	N/A	Our organization has a Medicare-Medicaid Plan (MMP) that will terminate at the end of 2025. We are using the CMS plan crosswalk functionality in HPMS to transition members to a D-SNP. Our MMP had membership in 2024. If we perform the crosswalk, would we be expected to report 2024 base period experience in the 2026 MA and Part D BPTs? If so, what MMP benefits should be reflected on Worksheet 1? In addition, how should expectations for recoveries of quality withholds be reflected on Worksheet 1?	
9	Supporting Documentation	03/14/2025 11:24	Risk Share Documentation	We have a question on the new capitation and risk share supporting documentation in #23 of the MA bid instructions. Item 23.1 says it applies to Worksheets 1 and 4. Does Item 23.2 apply to projection period only or both the base period and projection period?	
10	Selected Drugs	Beta Feedback	N/A	Consistently in the Final Calendar Year 2026 Part D Redesign Program Instructions, instructions are outlined separately for applicable, non-applicable, and selected drugs. However, the BPT instructions do not specify if selected drugs should be included in generic (non-applicable) or brand (applicable) rows on Worksheet 6 of the Part D BPT. As these drugs are currently applicable in 2025 but will become non-applicable for the purposes of determining reinsurance payments, could CMS clarify how projected utilization and costs associated with these drugs should be grouped on Worksheet 6?	

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#	Topic	Date E-Mail Sent	E-mail Subject	E-Mail Body Text	CMS Response
11	Base Period Experience	Beta Feedback	N/A	Page 10 of the Final Part D BPT instructions defines allowed as the sum of ingredient cost, dispensing fee, sales tax, and vaccine administration fee. The response to question 5 of the 2/20/2025 user group call specifies the estimated remuneration at POS amount (ERPOSA) should also be included in the allowed cost. Can CMS clarify how ERPOSA should be reported on Worksheet 1?	
12	Selected Drug Subsidy	Beta Feedback	N/A	Will the selected drug subsidy be sequestered?	
13	Insulins/Vaccines	N/A	N/A	Should insulins/vaccines be included in the value of the deductible/claims subject to the deductible on WS3/WS6? Should insulins/vaccines be included when determining whether a member has progressed from the deductible phase to the initial coverage phase on WS3/WS6.	
14	Risk Score	03/19/2025 14:30	PY2026 Bid Part D Risk Scores Projection Question	We project Part D risk scores based on low-income and non-low-income conditions per CMS guidelines. However, there are many of our plans that are either with predominantly low-income members or with non-low-income members. Are there any safe harbor rule that if low-income or non-low-income member percentage is higher than a certain threshold within a given plan, then we can project the whole plan based on that category?	
15	Maximum Fair Price Drugs	04/07/2025 18:55	MFP Drugs and Formulary Review	If a PD plan submits their initial bids with an MFP drug disadvantaged vs a competing product and CMS does not accept the justification for the non-preferred tier placement, could CMS confirm that the change will occur during the formulary stage review and therefore BPT pricing changes will not be permitted?	
16	Projection Factors	04/09/2025 15:06	Question about CY2026 Part D Cost due to Tariffs	[Paraphrased] The government's announcement of potential tariffs on pharmaceutical medications could have a material effect on the CY2026 bids. 1. Does OACT have any guidance on how health plans should adjust their pricing strategies to account for potential tariff changes? 2. Is it appropriate to bucket this impact into trend change column or other change column in the BPT WS2 unit cost section?	
17	Low-Income Benchmarks	04/14/2025 21:12	Restated LIB Questions	1. Last year, the 2024 restated LIBs were calculated using the 2024 restated direct subsidy. This was a change from prior years, where the restated LIBs were calculated with the actual direct subsidy. Can you confirm that the 2025 restated LIBs were calculated using the 2025 restated direct subsidy? 2) We are looking for the 2025 low income membership file to support our projections of the 2026 LIBs. Do you know when that file will be released?	
18	Part D Benefits	N/A	N/A	According to regulation 1860D-2(b)(9)(D)(ii), insulin cost share for plan years 2026 and beyond should be “the lesser of $35 or 25% of either (1) the maximum fair price (if HHS has negotiated a price) or (2) 25% of the Part D plan negotiated price.” Can CMS please expand upon the “lesser of” logic, with examples, for beneficiary cost sharing pertaining to insulin products?	
19	Part D Benefits	N/A	N/A	Can CMS please clarify how you will calculate the potential premium changes for PDP consolidated renewal crosswalk exception requests that are submitted in June 2025 for the CY 2026 plan year? Will CMS use the terminating PBP’s CY 2025 premium (i.e., the PBP from which enrollees will be crosswalked into another plan) that includes reductions in the premium amount that occurred as a result of the Premium Stabilization demonstration as baseline? Will CMS apply a discount to the estimated CY 2026 premium for the receiving PBP (i.e., the PBP into which that the PDP sponsor proposes to crosswalk enrollees) in anticipation of a CY 2026 Premium Stabilization demonstration?	
20	Part D Benefits	04/15/2025 22:38	Tier Placement for Negotiated Drugs	Does CMS have any requirements around formulary tiering for the Negotiated Price drugs? For example, if Eliquis is currently covered on a Preferred Brand tier in 2025, would a plan be able to uptier this drug to a Non-Preferred Tier in 2026?	