

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: October 25, 2019
TO: Medicare Advantage Organizations, Cost Plans, and Prescription Drug Plan Sponsors
FROM: Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group
SUBJECT: Medical Loss Ratio Data Form and Attestation Submission Reminder for Contract Year 2018

On June 6, 2019, CMS released a memo with the anticipated timeline for Contract Year (CY) 2018 medical loss ratio (MLR) submissions. CMS is releasing this memorandum to serve as a reminder and confirmation of the CY 2018 MLR timeline. The upload functionality for CY 2018 MLR data forms will be available in HPMS beginning November 8, 2019. The CY 2018 MLR data forms must be submitted in HPMS by **11:59 PM Pacific Time (PT) on Friday, December 6, 2019.**

The electronic attestation functionality for CY 2018 MLR will be available in HPMS beginning December 9, 2019. The CY 2018 MLR attestations must be submitted in HPMS by **11:59 PM Pacific Time (PT) on Wednesday, December 18, 2019.**

Each Medicare Advantage Organization (MAO), Cost Plan, and Part D Plan Sponsor is required to submit an MLR data form to CMS for each contract year pursuant to the regulations at 42 CFR §§ 422.2460 and 423.2460. The MLR data forms and electronic attestations must be submitted in the Health Plan Management System (HPMS) at: HPMS Home > Plan Bids > Medical Loss Ratio > CY2018. Instructions can be found at the same location.

MAOs, Cost Plans, and Part D Plan Sponsors whose CY 2018 contract(s) were terminated, consolidated, or withdrawn are required to submit an MLR data form that accounts for Part C and Part D revenue, including the risk adjustment reconciliation amounts. CMS will post the Part C and Part D risk adjustment reconciliation amounts by November 8, 2019 for CY 2018 contracts that terminated, consolidated, or withdrew at: HPMS Home > Risk Adjustment > Risk Adjustment Reconciliation Amount. These values were obtained from the May 2019 MMR and the October 2019 MMR, for adjustment reason codes (ARC) 25 and 37. These values are prior to application of sequestration (i.e., “gross” of sequestration). This information may be used in the development of CY 2018 MLR reporting.

The reporting requirements for CY 2018 MLR were revised by the final rule titled “Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program” [CMS-4182-F], which reduced the amount of MLR data that MA organizations and

Part D sponsors must submit to CMS on an annual basis. Under these new rules, MA organizations and Part D sponsors will only report the MLR percentage and amount of any remittance owed to CMS for each contract. The final rule also contained policy changes applicable beginning in contract year 2019, which will revise the MLR calculation to include in the MLR numerator all expenditures related to fraud reduction activities (including fraud prevention, fraud detection, and fraud recovery) and Medication Therapy Management (MTM) programs. Please note that these policy changes are not applicable to the MLR calculation for CY 2018.

Technical note: The CY 2018 MLR data form released in June contained an errant finalization validation, and was re-posted in August to correct this issue (replacing the initial version at the same location in HPMS). The MLR download page in HPMS contains additional information about this issue. If users experience difficulties when running the finalization macro, please download the revised MLR data form from HPMS. Note that either version may be used, so only users that experience issues with finalization will need to download the revised MLR data form.

Questions regarding the Medicare MLR data form may be sent to MLRreport@cms.hhs.gov. Technical questions may be addressed to the HPMS Help Desk at hpms@cms.hhs.gov. Additional guidance regarding the MLR reporting requirements may be found at: <https://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/medicallossratio.html>. MLR guidance for Medicare-Medicaid Plans (MMPs) will be released separately; questions related to MMPs may be sent to MMCOcapsmodel@cms.hhs.gov. Thank you.