

Announcements (4/14/2022 UGC)

- 1) Similar to last year, OACT intends to post the advance Q&A file the morning of the Thursday User Group Calls
 - The questions for this week's call were posted on the CMS website this morning at <https://www.cms.gov> > Medicare > Medicare Advantage Rates and Statistics > Actuarial Bid Questions within the CY2023 Actuarial Bid Questions document. You may want to open this file to follow along during the Q&A portion of this call.
 - This file will only contain the questions asked in advance that we plan to address on the call. The responses will not be included in this early posting but will be posted as usual on the Friday after the call.
 - The intent of this advance posting is to help listeners follow along during the Q&A portion of the call.
 - Note that this is just a draft and some questions could be added/removed/or modified prior to the final posting.
 - If a response read on the call is not clear, please ask additional questions either live on the call or by submitting them in writing to the actuarial-bids mailbox.
 - In order to help us respond in a timely manner to feedback that involves other areas of CMS, we ask that you please copy the appropriate resource mailboxes in addition to any emails sent to the actuarial-bids mailbox. These email addresses can always be found in the introductory note within the UGC Q&A file.
 - Also note that some questions require more discussion and coordination among our group and may be postponed until a later call if necessary.
 - We also plan to post the key announcements from our call each week following the call, similar to last year.

- 2) CY2023 Bid Forms and Instructions
 - BPTs and bid instructions were released via HPMS on Friday, April 8th
 - The files were also posted on the CMS website, under: <https://www.cms.gov> > Medicare > Medicare Advantage Rates & Statistics (under the Health Plans header) > Bid Form & Instructions >
 - We appreciate the feedback we received during the industry beta testing period. We have incorporated clarifications within the bid instructions.
 - Bid Pricing Tool Changes from Beta Release
 - Renaming two input cells for consistency with bid instructions
 1. On MA Worksheet 4, z1. Related-Party Benefit Expense PMPM becomes z1. Related-Party Allowed Cost PMPM and
 2. On PD Worksheet 3, 7. Related-Party Benefit Expense PMPM becomes 7. Related-Party Allowed Cost PMPM
 - Instruction Changes from Beta Release
 - For MA, the MSP factor and example have been updated. However, the CY2022 factors in the MSP example are incorrect. A corrected example is posted in Appendix 1 below.
 - For MA and Part D, we have clarified in Appendix B item 8.2.2.b. that support for the aggregate gain/loss margin when it is below 0 percent or above 5.5 percent should include only the previous year's business plan, if applicable.
 - For MA and Part D, we have clarified that allowed costs and non-benefit expenses for related parties must be reported in the BPT consistent with the contractual arrangements for both the base period and the projection period.

- For MA and Part D, we have clarified that allowed costs are to be reported for related parties on MA Worksheet 4 item z1 and Part D Worksheet 3 item 7.
- For MA and Part D, plans are to submit the required documentation for only the top 5 related parties.
- For MA Appendix B 13.5.2, we have confirmed that for a comparison between a related-party organization and an unrelated entity, the MAO must provide a signed attestation from the related party stating that the actual contract will be available for review upon request from CMS.
- For Part D Appendix B Section 13, plans may show the value of the market comparison if it is not within five percent.
- For PDE Mapping, Total Number of Scripts in Column (f) has been updated to include Count # of PDEs where (Ingredient Cost + Dispensing Fee + Sales Tax + Vaccine Administration Fee) >= Zero, instead of Count # of PDE's where (Ingredient Cost + Dispensing Fee + Sales Tax + Vaccine Administration Fee) > Zero.

3) Actuarial Bid Training

- A basic overview of the Medicare Advantage and Part D programs and bid forms for actuaries and other interested parties can be downloaded and printed at any time from the OACT webpage (<https://www.cms.gov/medicare/medicare-advantage-rates-statistics/actuarial-bid-training>).
- The training consists of 2 sessions:
 - Introduction to Bidding
 - BPT 101
- There is no annual bid training on the website specific to CY2023.

4) OACT plans to release the Gain Loss Requirement Tool and MA PBP to BPT Comparison Tool via the CMS website in early May. We encourage all plans to use these industry tools to ensure compliance with CMS guidance.

5) The Office of the Actuary has posted the following ratebook-related items on the CMS website at: CMS Home > Medicare > (Health Plans) Medicare Advantage - Rates & Statistics > FFS Trends.

- FFS unit cost trends for 2021-2023
- Drivers of FFS USPCC trends for 2019-2023
- COVID-19 FFS projection factors
- FFS USPCC reconciliation exhibit

6) The Office of the Actuary has posted documentation of the development of the 2023 MA actuarial equivalent factors on the CMS website at CMS Home > Medicare > (Health Plans) Medicare Advantage - Rates & Statistics > Bid Forms and Instructions > 2023

- 7) CMS-4190-FC4, addressing MA maximum out-of-pocket limits and service category cost sharing standards, is available for viewing at [CMS-4190-FC4 final rule](#)
- Final CY 2023 MOOP and other cost sharing limits are in the following tables in the final rule:
 - Maximum Out-of-Pocket (MOOP) Limits-- Table 5: Final Contract Year 2023 MOOP Limits by Plan Type.
 - PMPM Actuarial Equivalent Cost Sharing-- Table 27: Illustrative Comparison of Service-Level Actuarial Equivalent Costs to Identify Excessive Cost Sharing for Contract Year 2023.
 - Service Category Cost Sharing-- Table 28: Final Contract Year 2023 In-network Service Category Cost Sharing Limits Using Projections of 2017-2021 Medicare FFS Data
- 8) Release of 2023 OOPC Model
- 2023 Out-of-Pocket Cost model was released via the CMS website at: <https://www.cms.gov> > Medicare > Prescription Drug Coverage – General Information > OOPC Resources
 - See the HPMS memo released on April 8th for more information
 - For technical questions about the OOPC model, please email OOPC@cms.hhs.gov

Appendix 1

The below MSP example calculation replaces the incorrect example which starts on page 29 of the MA BPT Instructions.

Example:

The source data to project the CY2023 MSP adjustment for Hxxxx-001-000 is March 2022 MMR data for Hxxxx-001-000. There is no change in the distinct risk characteristics of MSP beneficiaries as compared to non-MSP beneficiaries from CY2022 to CY2023. There is no Part C basic premium.

Step 1: Calculate the CY2022 bid portion of payment reflecting reduced payments for MSP beneficiaries (X_{2022}).

$\$12,000,000$ = “Total MA Payment” for the bid from a 2022 MMR file. This field includes all rebates except rebates for reduction of the Part B premium and the Part D basic premium and excludes the Part C basic premium, if any.

$\$2,337,525$ = Sum of rebates for cost-sharing reduction, other mandatory supplemental benefits, and Part D supplemental benefits for the bid. See the PCUG for the applicable field names.

$$X_{2022} = \$12,000,000 - \$2,337,525 = \$9,662,475.$$

Step 2: Separate the CY2022 bid portion of payment reflecting reduced payments for MSP beneficiaries (X_{2022}) into payments for non-MSP enrollees and MSP enrollees based on MSP status.

$\$9,609,346$ = CY2022 bid portion of payment for non-MSP enrollees.

$\$53,129$ = CY2022 bid portion of payment for MSP enrollees.

$$X_{2022} = \$9,662,475 = \$9,609,346 + \$53,129.$$

Step 3: Calculate the CY2023 bid portion of payment reflecting reduced payments for MSP beneficiaries (X).

$\$9,609,346$ = CY2022 bid portion of payment for non-MSP enrollees.

0.173 = CY2022 “MSP factor” for working aged and working disabled (non-ESRD).

0.136 = CY2023 “MSP factor” for working aged and working disabled (non-ESRD).

$\$41,766$ = $(0.136 \div 0.173) \times \$53,129$ = CY2022 bid portion of payment for MSP enrollees.

$$X = \$9,651,112 = \$9,609,346 + \$41,766.$$

Step 4: Calculate the projected CY2023 bid portion of payment that would be paid if no beneficiaries had a payer that was primary to Medicare (Y).

$$Y = \$9,609,346 + (\$41,766 \div .136) = \$9,609,346 + \$307,103 = \$9,916,449.$$

Step 5: Calculate the projected CY2023 MSP adjustment to enter into the BPT.

$$\text{MSP adjustment} = 1 - \$9,651,112 \div \$9,916,449 = 0.0268 = 2.68\%.$$

Announcements (4/21/2022 UGC)

- 1) Release of risk score data for CY2023 bidding
 - Plan-level data has been posted in HPMS and beneficiary-level files have been sent to plan sponsors.
 - Please see the HPMS memos dated April 15th for more details about the beneficiary-level files and the technical notes included with the plan-level data posted on HPMS for details about the plan-level data.
 - Any questions regarding the risk score data should be sent to RiskAdjustmentPolicy@cms.hhs.gov

- 2) Release of plan-specific TBC data
 - Plan specific TBC data was posted in HPMS at: HPMS Home > Quality and Performance > Performance Metrics > Costs > Part C Total Beneficiary Costs
 - Final Contract Year 2023 Part C Benefits Review and Evaluation Memo was released yesterday and includes administrative information regarding the TBC calculation
 - If you are having issues accessing this data, please contact the HPMS Help Desk at 1-800-220-2028 or hpms@cms.hhs.gov
 - Any questions regarding the plan-specific TBC data can be sent to actuarial-bids@cms.hhs.gov
 - Any questions beyond the plan-specific TBC data (ex: questions on the memo or regarding OOPC/TBC policy) should be sent to <https://mabenefitsmailbox.lmi.org/>

Announcements (4/28/2022 UGC)

- 1) Total Beneficiary Cost (TBC)
 - An error was discovered in columns B and C of the previously posted TBC information
 - Corrected TBC values have been posted, please refer to 4/25 HPMS email blast for more information

- 2) OACT has posted Industry Gain/Loss Requirement and PBP to BPT comparison tools on the CMS website under: www.cms.gov > Medicare > Medicare Advantage Rates & Statistics (under the Health Plans header) > Bid Form & Instructions > 2023
 - The aggregate margin tests have been updated in accordance with the CY2023 BPT Instructions.
 - As a reminder for the PBP to BPT Comparison Tool, please note that users must select the PBP and VBID PBP Access databases at the same time if any selected bids include VBID, Uniformity Flexibility, or SSBCI benefits.

- 3) Bid upload functionality in HPMS available starting Friday, May 6th
 - *We ask that each organization “test the upload process” by uploading a bid early*
 - A bid can be uploaded repeatedly until the deadline, (11:59 PM PT) Monday, June 6th, at which time all gates close

Announcements (5/5/2022 UGC)

- 1) The final CY2023 C&D Rule can be downloaded from the Federal Register at:
<https://www.federalregister.gov/public-inspection/2022-09375/medicare-program-contract-year-2023-policy-and-technical-changes-to-the-medicare-advantage-and>
- 2) Bid upload functionality in HPMS available starting Friday, May 6th
 - *We ask that each organization “test the upload process” by uploading a bid early*
 - A bid can be uploaded repeatedly until the deadline, (11:59 PM PT) Monday, June 6th, at which time all gates close

Announcements (5/12/2022 UGC)

There are no new announcements.

Announcements (5/19/2022 UGC)

There are no new announcements.

Announcements (5/26/2022 UGC)

- 1) Bid upload functionality in HPMS is available
 - *We ask that each organization “test the upload process” by uploading a bid early*
 - A bid can be uploaded repeatedly until the deadline, (11:59 PM PT) Monday, June 6th, at which time all gates close
- 2) OACT will be conducting preliminary checks for inconsistencies between the PBP and the MA BPT. We will notify plans of these inconsistencies by email during June 1 through June 6. We realize the bids you have submitted so far may not be final. Nevertheless, the notices provide a chance to reconcile these inconsistencies prior to the submission deadline
- 3) OACT will also be conducting additional bid quality checks again this year. Plans can avoid being contacted with issues by carefully peer reviewing their bids. We intend to send out emails to plans during June 1 through June 6 for bids already uploaded into HPMS to help ensure compliance prior to final bid submission

Announcements (6/2/2022 UGC)

- 1) Please see HPMS memo entitled “Contract Year 2023 Bid Review Out-of-Pocket Cost Models - New Generic Drugs”. This memo informs Part C and D sponsors that although the Out-of-Pocket Cost (OOPC) model released on April 8, 2022 does not account for new generic drugs, they will be accounted for during the bid review process.
- 2) The bid submission deadline is 11:59 PM PT on Monday, June 6th
 - Supporting documentation required with the initial bid submission must be submitted by this same deadline
 - Please note that the PD BPT cell F18 on Worksheet 7 for MTM payment must be populated with zero, not blank, at the time of bid submission for all PD bids
- 3) If you need assistance with actuarial issues between today’s call and Monday’s deadline, e-mail your question/issue to: actuarial-bids@cms.hhs.gov
 - We will do our best to respond as quickly as possible
- 4) Any issues related to bid upload should be directed to the HPMS Help Desk at:
1-800-220-2028 or hpms@cms.hhs.gov
- 5) The actuarial certification process will be similar to last year
 - The initial actuarial certification deadline will be Friday, June 10th. Please see the HPMS memo that was released yesterday for more details.
- 6) Shortly after the bids are received, the bid review process will begin. OACT has contracted with several actuarial firms, similar to previous years
 - We request your cooperation and responsiveness when contacted during the bid review process
 - Please ensure that staff are equipped to answer bid review inquiries if you will be out of the office
 - We ask that you confirm receipt when you receive an inquiry to a bid review.