

OMB Pass back Questions 0938-0469: The Fiscal Soundness Reporting Requirements (CMS-906)

Q1. The supporting statement (p.1) requests reinstatement of the CMS 906, but it looks like this is an active collection. Is this a typo?

A1. Yes this was a typo. We are requesting the collection in question be renewed for the maximum renewal period of 36 months (3 years) from the date of approval of said collection effort.

Q2. In the FSRR dictionary (supplemental document in ROCIS), the definition for #6, health claims payable, appears to be cut off. What is the full definition?

Number 6, Health Claims Payable has been changed to simply “Claims”. “Claims represent the portion of Total Liabilities that are currently committed to cover future Medical and Hospital expenses. This figure is located under the liability side of the Balance Sheet.”

Q3. Are MAOs likely to have all 13 data elements on hand for other reasons before they submit this report? Are some of these elements unique to this reporting requirement?

All 13 data elements are readily available and traceable to specific line items in the Medicare Advantage Organizations’ (MAO) already required and prepared third party audit that we get in uploaded PDF form annually. Similarly, the 13 data elements are on hand for use by the licensing State due their existing statutory financial filing requirements. Therefore, none of the requested elements are unique to this filing.

Q4. The net worth data element can be calculated using other data elements (total assets, total liabilities). Why request something that can be calculated?

As stated in the response to question 3, the net worth figure is readily available. Net worth is a free standing line item and requires no additional calculation. Another reason the net worth figure is collected separately is that there are accounting adjustments, such as dividends, that fall outside of the simple calculation above that may materially skew the ultimate net worth value. Therefore, in order to establish the final net worth value as well as fulfill our fiduciary responsibility, we verify the true end of year value of the MAO’s capital by requiring them to enter it as a separate data element. A final reason is to validate the accuracy of the plan-entered assets and liability data.

Q5. Where can MAOs find the FSRR dictionary? It does not appear on the screen shot.

The dictionary appears as a pop-up screen in HPMS when the MAOs are entering the data elements.

Q6. In the FSRR dictionary, please make all of the definitions full sentences, and please check punctuation and capitalization throughout.

CMS has addressed these concerns and the revised FSRR Dictionary is included with this response document.

Q7. Please define ST and LT in the definitions.

ST and LT stand for Short Term and Long Term and have been defined in the revised FSRR dictionary.

Q8. If something is self-explanatory, why define it? We suggest removing that language from the FSRR definitions and keeping the note about where to find the data in the audited financial statements.

CMS has addressed these concerns and the revised FSRR Dictionary is included with this response document

Q9. How did CMS decide to require data entry for these 13 items in particular?

CMS did not want MAOs to have to collect and submit a multitude of data elements. Therefore the 13 data elements in question were selected because they represent the most critical figures in the financial statements for CMS to evaluate whether the MAO is maintaining a fiscally sound organization.

Q10. What will CMS do with the PDF documents?

The PDFs are stored within the Fiscal Soundness Module of Health Plan Management System (HPMS). HPMS is CMS' system of records for the Medicare Advantage and Prescription Drug Plan Programs.