

CMS Response to Public Comments

OMB # 0938 - 0944
CMS-10142

CY2011 Bid Pricing Tool (BPT) for Medicare Advantage and Prescription Drug Plans

AHIP February 8, 2010 Letter

Comment #1

MA Bid Pricing Tool Instructions - Section II. Pricing Considerations

Plan Terminations and Enrollment Shifts (page 10). Under this section of the draft MA BPT instructions, CMS addresses the treatment of base period experience when a plan is dissolved (terminated) and the retained members are cross-walked into ongoing plans under the same contract. This guidance is likely to be particularly relevant as non-network PFFS plans transition to network PFFS plans to meet requirements for CY 2011. However, the BPT instructions do not address the circumstance in which such PFFS plans are offered under different contracts. We recommend that the BPT instructions address reporting base period experience in this situation to the extent that CMS allows a crosswalk of enrollees across contracts.

CMS Response to Comment #1

CMS will clarify the MA and Part D bid instructions.

Comment #2

MA Bid Pricing Tool Instructions - Section II. Pricing Considerations

Special Needs Plans Serving Dual-Eligibles (DE-SNPs) (page 21). Under this heading, the draft indicates that when DE-SNPs are offered along with corresponding general enrollment plans, the margin assumptions used for general enrollment plans must be the basis for the margin requirements for DE-SNPs. The first sub-bullet explains this requirement in more detail and states in part that organizations may choose to use margins at a more aggregate level than the contract level “as the basis for the group plan margin assumptions.” It appears that the reference to “group plan margin assumptions” is erroneous or misplaced, and we recommend that CMS revise the draft to clarify this sub-bullet.

CMS Response to Comment #2

CMS will clarify the MA bid instructions.

Comment #3

MA Worksheet 1 – MA Base Period Experience and Projection Assumptions. Cost Sharing Amounts. It is our understanding that the cost sharing amounts required in column e, “Cost Sharing,” should reflect the cost sharing amounts the MA organization would expect to receive if applicable cost sharing were collected in full, not the actual amounts the organization anticipates would be collected. If our understanding is correct, for clarity and to promote consistent understanding of CMS policy, AHIP recommends that CMS revise the BPT instructions to explicitly state that this is the case.

CMS Response to Comment #3

CMS will clarify the MA bid instructions.

Comment #4

MA Worksheet 1 – MA Base Period Experience and Projection Assumptions. Reporting Revenue from CMS Payment. In MA Worksheet 1, Section VI “Base Period PMPM Summary for 1/1/2009 – 12/31/2009,” Line 1, CMS is proposing that MA organizations report revenue from CMS payment on a PMPM basis for the base period. The BPT instructions indicate that this “section should be consistent with the “Plans in Base” information reported in Section III line 5.” We note that the information in Section III, line 5 excludes claim experience for hospice enrollees, ESRD claims experience, and claims experience for optional supplemental benefits. (See MA BPT Instructions page 7, last three bullets under “Base Period Experience.”) However, under Section VI, CMS references only exclusion of claims experience for optional supplemental benefits. It is our understanding that Section VI should also exclude experience for ESRD and hospice members, consistent with Section III, line 5. If our understanding is correct, AHIP recommends that CMS revise the MA BPT instructions to explicitly state that this is the case.

CMS Response to Comment #4

CMS will clarify the MA bid instructions.

Comment # 5

MA Worksheet 4 – MA Projected Revenue Requirement PMPM. CMS indicates in the “Summary of Changes” that the agency has added to Worksheet 4, columns (ad) through (aj), which are calculated fields that reflect cost sharing summaries. It is our understanding that there is a technical problem in the BPT so that these columns are hidden and users are unable to access and view the data. AHIP recommends that CMS modify the worksheet to allow MA organizations to access the new columns (ad) through (aj).

CMS Response to Comment #5

These columns are not hidden from user view. These columns were not included in the print-range of the worksheet (in the PDF file posted for PRA), however these columns are fully accessible to the user in the software. No change is needed.

Comment #6

Appendix A – Actuarial Certification. We note that the last sentence under Appendix A states that detailed instructions regarding how to apply for access to the CY 2011 certification module were released via an HPMS memorandum dated “March 9, 2009.” We assume that this and other references to guidance or factors issued for CY 2010 will be updated in the final MA and PDP CY 2011 BPT instructions.

CMS Response to Comment #6

CMS will clarify the MA and Part D instructions.

Comment #7

PDP Bid Pricing Tool Instructions Section I. Introduction

Document Overview (page 4). Under this heading, the last bullet references the Part D Payment Demonstration and Appendix F, which addressed this topic. However, the demonstration has terminated, and the draft does not include Appendix F. AHIP recommends that CMS revise the draft accordingly.

CMS Response to Comment #7

CMS will clarify the Part D instructions.

Comment #8

PDP Bid Pricing Tool Instructions Section II. Pricing Considerations

Base Period Experience. The draft CY 2011 PDP BPT instructions state that the base period experience “data should [*emphasis added*] be based on a calendar year 2009 incurred period with at least 30 days paid claim run out.” (See page 6.) However, the draft CY 2011 MA BPT instructions state that “CMS requires [*emphasis added*] base period experience data to be based on claims incurred in calendar year 2009 and generally expects at least 30 days of paid run-out.” (See page 7.) It is our understanding that use of a 2009 calendar year incurred period with at least 30 days of paid claim run out is “required” for both MA organizations and PDPs. If this is correct, we recommend that CMS revise the draft CY 2011 PDP BPT instructions accordingly.

CMS Response to Comment #8

CMS will clarify the Part D instructions.

Comment # 9

Worksheet 1 – Rx Base Period Experience. In the instructions to PDP Worksheet 1, Section II “Base Period Background Information,” Line 1, CMS states that sponsors must enter “the incurred dates of the base period data on the first two lines...” (See page 21.) However, under the comparable section of the MA Worksheet 1, CMS indicates that “the incurred dates are pre-populated on the first two lines for the two years prior to the contract year.” (See page 31.) For consistency and ease of use, we recommend that CMS also pre-populate the incurred dates of the base period data in the PDP Worksheet 1, Section II, Line 1 “Time Period Definition.”

CMS Response to Comment #9

CMS considered this change, but determined that some Part D plans (ex: PACE) need flexibility in completing Worksheet 1 incurred dates. No change is needed.

END.