



Department of Health & Human Services
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

INSURANCE PROGRAMS GROUP
CO-OP PROGRAM DIVISION

Date: May 15, 2015
To: CO-OP Project Officers
From: Kelly O'Brien, Director
CO-OP Program
Subject: Additional Guidance Re: New Monthly Reporting Requirements

This memo sets forth additional guidance and clarifications regarding the new monthly reporting requirements for CO-OP loan recipients. Pursuant to Sections 10 and 11 of the Loan Agreement, CO-OP loan recipients must submit reports and other data required by CMS to monitor the performance of CO-OP loan recipients. To provide a timely snapshot of each CO-OP loan recipient's capital position and risk profile, CMS requests that each CO-OP submit a few pieces of key data to CMS on a monthly basis. The current requirements for the CO-OP monthly reporting include the following:

1. Active enrolled members – on the individual Marketplace – total and broken down by age:
 - a. Age 0-20
 - b. Age 21-34
 - c. Age 35-44
 - d. Age 45-54
 - e. Age 55-64
 - f. Age 65+
2. Total disenrollment – on the individual Marketplace
3. Active enrolled members – off the individual Marketplace – total and broken down by age:
 - a. Age 0-20
 - b. Age 21-34
 - c. Age 35-44
 - d. Age 45-54
 - e. Age 55-64
 - f. Age 65+
4. Total disenrollment – off the Individual Marketplace
5. Total active enrollment – Small Group
 - a. Small Group enrollment – on the Marketplace

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- b. Small Group enrollment – off the Marketplace
- 6. Total active enrollment – Large Group
- 7. Total active members enrolled in QHPs (Individual and SHOP)
- 8. Total active members enrolled in non-QHPs (Off exchange: Individual, Small and large group)
- 9. Total overall active enrollment
- 10. Total overall disenrollment
- 11. Total projected enrollment for next reporting period
- 12. Total active enrollment as a % of previously projected (prior month)
- 13. Total written premiums (gross)
- 14. Total uncollected premiums and agents' balances in course of collection
- 15. Total claims incurred (gross)
- 16. Total claims unpaid
- 17. Total cash/cash equivalents on-hand
- 18. Total bonds/other solvency investments
- 19. Investment Income Receivables
- 20. Healthcare Receivables
- 21. Premium Deficiency Reserve (PDR)
- 22. Capital and Surplus
- 23. Federal Reinsurance Premiums
- 24. Commercial Federal Reinsurance Premiums
- 25. Federal Reinsurance Recoveries
- 26. Commercial Reinsurance Recoveries
- 27. Total G&A Expenses
- 28. Claims Adjustment Expenses
- 29. Net Investment Income (Loss)
- 30. Other Income (Loss)
- 31. Net Income (Loss)
- 32. DOI Financial Reports

As of February 2014, CO-OP loan recipients were required to begin submitting select enrollment and financial data by the last day of the month. This data should cover the YTD balance as of the last day of the prior month. Specifically, active enrollment data should reflect the number of enrollees **with coverage** in effect as of the last day of the current reporting period. Additionally, financial data reported should be current and **cumulative YTD** as of the last day of the reporting period. In addition, all CO-OPs presently providing data to their State Department of Insurance (DOI) on a monthly basis should provide CMS with a copy of their full submission. Please note that all financial data provided on a monthly basis will be verified against NAIC report submissions to help assess the accuracy and validity of the data being provided to CMS. Thus, CO-OPs should ensure the amounts reported in the monthly reports agree with their reporting to state DOI.

Please note that additional changes have been made to the guidance below for clarification provided on definitions in the February 3, 2015 memo. To assist in providing clarification regarding the new

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monthly data reporting requirement, the following clarification notes are provided along with an updated Data Dictionary.

- “**Active Enrolled Members**” should solely reflect members presently being provided with coverage. (Note: ASO business should be included in the figures provided.)
- “**Age**” should be provided for all subcategory ranges provided. If a CO-OP has no members presently within a given age range, please enter a zero (0) within the monthly report template.
 - Please ensure that your data submission is not coded with a dash (-) or other null figure as this will result in inaccurate data being recorded for your CO-OP.
- “**Total active members enrolled in QHPs**” should be the total of SHOP and individual members enrolled with Qualified Health plans: # 1 and #5a.
- “**Total active members enrolled in non-QHPs**” should be the total of small group, individual and large group members enrolled with non-Qualified Health plans.
- “**Total overall active enrollment**” should be the total of active enrollments across all markets: # 1, #3, # 5, and #6. Also, this field should equal the total of fields, #7 and #8.
- “**Total overall disenrollment**” should be the total of all disenrollments across all markets: Individual, small group (including SHOP) and large group.
- “**Total Uncollected Premiums and Agents’ Balances in Course of Collection**” should not be provided as a negative (-) figure. For the purposes of analysis, providing a negative figure will result in inaccurate data being assessed for your CO-OP.
- “**Total Claims Incurred**” should be a cumulative amount for claims incurred (paid and unpaid) during the current year only, consistent with the calculation methodology used for the Statement of Revenue and Expense, Line 16 – Subtotal of hospital and medical from the regulatory filing. This amount **should not** include reinsurance recoveries from federal and commercial reinsurance programs.
- “**Total Claims Unpaid**” should also not be provided as a negative (-) figure within the monthly report template. For the purposes of analysis, providing a negative figure will result in inaccurate data being assessed for your CO-OP.
- “**Total administrative expenses incurred**” should not include claims adjustment expenses. Calculation methodology used should be consistent with the methodology used to report the Statement of Revenue and Expense, **Line 21 - General administrative expenses on the regulatory filings.** Refer to SSAP No.70 for accounting guidance.

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- **“Total Cash/Cash Equivalents On-hand”** amount reported on the monthly report should equal to amount reported on Assets Statement, Line 5 - Cash, cash equivalents, and short-term investments of the regulatory filing.
- **“Total Bonds/Stocks/Other Investments”** – amount reported on the monthly report should equal to sum of amounts reported on Asset Statement, Lines 1 (Bonds) and 2 (Stocks - preferred and common) of the regulatory filing.

Attachments (1)

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INSURANCE PROGRAMS GROUP
CO-OP PROGRAM DIVISION

March XX, 2015

Purpose:

This document provides further clarification regarding the specifications of the monthly report measures now required by CMS for all CO-OPs that are offering products. Effective February 2014, CO-OP loan recipients must report the following information for current year-to-date. Please refer to NAIC definitions and reporting standards for additional clarification if needed.

Data Dictionary:

Measure:	Instructions:
Age	To determine the appropriate age category of an enrollee, use the age of the enrolled individual at the time of application.
On the Marketplace	Report data from qualified health plans sold through the Exchange.
Off the Marketplace	Report data from plans not sold through the Exchange.
Active Enrolled Members - INDIVIDUAL	Report the number of Individual Market enrolled members with coverage in effect as of the last day of the reporting period. All individuals counted in this column should have paid their first month's premium.

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Active Enrolled Members – SMALL GROUP	Report the number of Small Group Market enrolled members with coverage in effect as of the last day of the reporting period. All individuals counted in this column should have paid their first month’s premium.
Active Enrolled Members – LARGE GROUP	Report the number of Large Group Market enrolled members with coverage in effect as of the last day of the reporting period. All individuals counted in this column should have paid their first month’s premium.
Active Enrolled Members - TOTAL	Report the number of enrolled members with coverage in effect as of the last day of the reporting period. All individuals counted in this column should have paid their first month’s premium.
Disenrollment	Report the number of members who have since disenrolled from coverage in effect as of the last day of the reporting period.
Total Premiums Written	<p>Report the sum amount of all premiums written during the current year, including: amounts for premium transactions conducted directly with insured; amounts due from agents resulting from various insurance transactions; and premiums receivable from government-insured plans. Refer to SSAP No 6; SSAP No. 61R for accounting guidance.</p> <p>Written premium is the contractually determined amount charged to the policy holder for the effective period of the contract. For health contracts without fixed contract periods, premium written will equal the amount collected during the reporting period plus uncollected premiums at the end of period less uncollected premium at the beginning of the period.</p> <p>The amount reported on monthly should equal to the cumulative YTD total premium written during the current year and should not be adjusted for reinsurance ceded or receivables/payables from risk adjustment and risk corridors. Ceded reinsurance should be reported separately.</p>
Total Uncollected Premiums and Agents’ Balances in Course of Collection	Report the sum amount for all uncollected premiums and agents’ balances in course of collection, including: amounts for direct and group billed uncollected premiums; amounts collected but not yet remitted to the home office; and accident and health premiums due and unpaid.
Total Claims Incurred (Gross)	The amount reported monthly should equal to the cumulative YTD total claims incurred during the current year consistent with the amount reported on <u>Line 16 of the Statement of Revenue and Expenses</u> of the Regulatory Filing, and should not be adjusted for reinsurance recoveries.

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	Report the sum of all amounts incurred for member health services and benefits including: hospital and medical benefits; other professional services; outside referrals; emergency room and out-of-area; prescription drugs; and aggregate write-ins for other hospital and medical; and incentive pool, withhold adjustments and bonus amounts.
Total Claims Unpaid	<p>The amount reported monthly should be consistent with the amount reported on <u>Statement of Liabilities, Capital and Surplus, Line 1</u> – Claims Unpaid, of the Regulatory Filing.</p> <p>Report the sum of all amounts for unpaid claims, including: those that have been reported and are in the process of adjustment; percentage withholds from payments made to contracted providers; incurred but not reported losses; recoverable for anticipated coordination of benefits and subrogation. Refer to SSAP No. 55 for accounting guidance.</p>
Total Cash/Cash Equivalents And Short-term Investments	<p>The amount reported monthly should be consistent with the amount reported on <u>Statement of Assets, Line 5</u> – Cash, cash equivalents, and short-term investments, of the Regulatory Filing.</p> <p>Report the sum amount reflecting all cash, including petty cash, other un-deposited funds, certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date and other instruments defined as cash and cash equivalents in accordance with SSAP No. 2, Cash, Drafts, and Short-term Investments.</p>
Total Bonds/Stocks/Other Investments	<p><u>Bonds</u> - amount reported on the monthly report should equal to sum of amounts reported on <u>Asset Statement, Line 1 - Bonds</u> of the regulatory filing.</p> <p>Report the sum amount reflecting all bonds with maturity dates greater than one year from the acquisition date. Bonds are valued and reported in accordance with guidance set forth in SSAP No. 26, Bonds, excluding Loan-backed and Structured Securities; and SSAP No. 43R, Loan-backed and Structured Securities. Record bond acquisitions or disposals on the trade date, not the settlement date. Record private placements on the funding date. Exclude: Interest due and accrued. (Include definition of stocks, and other investments applicable.)</p> <p>Stocks - amount reported on the monthly report should equal to sum of amounts reported on <u>Asset Statement,</u></p>

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	<p><u>Line 2.1 – Preferred Stocks and 2.2 – Common Stocks</u> of the regulatory filing</p> <p>Report the amount reported for common stocks and preferred stocks in the value in accordance with guidance set forth in SSAP No. 30, SSAP No. 32, and SSAP No. 97.</p>
Investment Income Receivables	<p>Amount reported on monthly report should be consistent with amount reported on <u>Statement of Assets, Line 14</u> of the Regulatory Filing.</p> <p>Report the cumulative YTD income earned on investments but not yet received.</p>
Healthcare Receivables	<p>The amount reported monthly should be consistent with the amount reported <u>Statement of Assets, Line 24</u> of the Regulatory Filing.</p> <p>Report the cumulative YTD receivables including pharmaceutical rebate receivable, claim overpayment receivables, loans and advances to providers, capitation arrangement receivables and risk sharing receivables from affiliated and non-affiliated entities.</p>
Premium Deficiency Reserve (PDR)	<p>The amount reported monthly should be consistent with the amount reported on <u>Statement of Liabilities, Capital and Surplus, Line 4</u> of the Regulatory Filing.</p> <p>Report the YTD balance of reserves including aggregate reserves for accident and health policies and excluding reserves relating to uninsured plans and the uninsured portion of partially insured plans.</p>
Capital and Surplus	<p>The amount reported monthly basis should be consistent with the amount reported on <u>Statement of Liabilities, Capital and Surplus, Line 14</u> of the Regulatory Filing;</p> <p>Report total of capital and surplus available at the end of reporting period.</p>
Federal Reinsurance Premiums	<p>The amount reported monthly should be consistent with the amount reported on <u>Schedule S and ACA notes</u> of Regulatory Filing.</p>

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	Report the cumulative YTD ceded reinsurance premium payable to the ACA transitional Federal reinsurance program.
Commercial Reinsurance Premiums	The amount reported monthly should be consistent with the amount reported in <u>Schedule S</u> of the Regulatory Filing. Report the cumulative YTD ceded reinsurance premium paid and payable to the private reinsurance program.
Federal Reinsurance Recoveries	The amount reported monthly should be consistent with the amount reported on <u>Schedule S and ACA notes</u> of the Regulatory Filing. Report the cumulative YTD amount recoverable from transitional ACA reinsurance program for claims paid and unpaid.
Commercial Reinsurance Recoveries	The amount reported monthly should be consistent with the amount reported in <u>Schedule S</u> of the Regulatory Filing. Report the cumulative YTD amounts recovered and recoverable from private reinsurance on paid claims.
Total G&A Expenses	The amount reported monthly should be consistent with the amount reported in <u>Statement of Revenue and Expenses, Line 21</u> of the Regulatory Filing. Report the cumulative YTD total of all general and administrative expenses incurred <u>excluding</u> all expenses relating to cost containment activities.
Claims Adjustment Expenses	The amount reported monthly should be consistent with the amount reported on the <u>Statement of Revenue and Expenses, Line 20</u> of the Regulatory Filing. Report the cumulative YTD total of all expenses incurred in connection with the recording, adjustment and

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	settlement of claims.
Net Investment Income (Loss)	<p>The amount reported monthly should be consistent with the amount reported on <u>Statement of Revenue and Expenses, Line 25</u> of the Regulatory Filing.</p> <p>Report the cumulative total YTD investment income earned from all forms of investments, including investment fees earned relating to uninsured plans. <u>Include</u> dividend from subsidiary controlled and affiliated entities, joint ventures, partnership, and limited liability companies less investment expenses, taxes (excluding federal income taxes), licenses, fees, depreciation on real estate and other invested assets. Additionally, <u>include</u> investment incomes credited to uninsured plans, and interest on borrowed money. <u>Exclude</u> capital gains and losses on investment.</p>
Other Income (Loss)	<p>The amount reported monthly should be consistent with the amount reported on <u>Statement of Revenue and Expenses, Line 29</u> of the Regulatory Filing.</p> <p>Report the cumulative YTD total of write-ins listed in schedule details of Write-ins for other income or expenses.</p>
Net Income (Loss)	<p>The amount reported monthly should be consistent with the amount reported on <u>Statement of Revenue and Expenses, Line 32</u> of the Regulatory Filing.</p> <p>Report YTD balance of excess or deficiency of total revenue over total expenses adjusted for extraordinary items and less federal taxes as of the end of the reporting period.</p>
DOI Financial Reports	Provide copies of any monthly financial reporting submitted to the state DOI.

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