

CMS Response to Public Comments Received for CMS-10582

Risk Corridors Data Validation for the 2014 Benefit Year

The Centers for Medicare and Medicaid Services (CMS) received comments from one insurance company and one industry association related to CMS-10582. This is the reconciliation of the comments.

Comment: Because of the limited response time, CMS should provide a process for limited extensions or deadline leniency to assure the accuracy and completeness of data necessary to administer these programs. CMS also should have a dedicated mailbox for questions and extra support staff.

Response: CMS believes issuers have sufficient time to provide responses to the data requests, though understands that the timelines are challenging. These timelines are necessary due to other significant regulatory timelines, such as the MLR rebate deadline, and rate-setting and plan certification deadlines. To assist in the process, CMS has provided a dedicated mailbox (acariskcorridors@cms.hhs.gov) and additional support staff to assist issuers with their submissions.

Comment: CMS' estimate of the burden on issuers is substantially understated.

Response: CMS has substantially increased its estimate of issuer burden, in response to these comments.

Comment: CMS should provide flexibility on its requirement that quantities on the worksheet must be reconciled to 0.25% of the applicable amount. For many issuers these tolerances could likely only be achieved on the largest line items. One option is to tie reconciliation in the aggregate to a certain percentage of total premium (e.g., 0.5% of total premium).

Response: CMS instruction provides that the quantities reconciled should be within one quarter of one percent of the total claims or premium amount. Tying a claims reconciliation to a premium amount would be inaccurate. CMS believes a 0.25% tolerance is more appropriate than a 0.5% tolerance because of the potential for multiple explanations to compound error amounts, potentially leaving an unexplained, substantial difference.

Comment: CMS should allow plans to describe differences other than the ones CMS identified between EDGE server and MLR/RC data submissions.

Response: Our listed reasons were simply those explanations we have heard most frequently from actuaries and issuers. Plans may and should certainly provide other reasons – those other reasons should be uploaded in the “Remaining Discrepancy NOT Accounted For” category.

Comment: Because of the complexity of the data involved, CMS should allow plans to save work on the web form and/or provide plans with an alternative method (e.g., Excel spreadsheet) to address any contingencies, such as a system failure.

Response:

Plans may view all the web forms to ascertain what information is required for submission and use offline worksheets before uploading documents. Because of the urgency of the timelines involved, and because of our efforts to provide issuers as much time as possible to provide the explanations, CMS has not been able to take the time to build a data intake system with such functionality.

Comment: CMS should use the term “material or significant differences” in reported data sets rather than discrepancies to characterize the differences in data submitted in the risk corridors and MLR reporting form and the data submitted through the distributed data environment, since these involved different data sets collected for different program and are not comparable.

Response: As part of a letter to issuers, CMS used the term “material differences.” While the webform spreadsheet does include the term “discrepancies,” we do not believe there is a material distinction between the terms in this context. CMS has previously clarified in our letter to issuers that “[t]he identification of material differences does not necessarily mean there is a problem with either data source.”

Comment: CMS should provide an additional response option for issuers completing the Risk Corridors Submission Checklist to provide an explanation other than Yes, No, or R.

Response: CMS believes that the yes, no, or resubmission option generally contains the appropriate universe of alternatives. In exceptional circumstances, additional explanations may be submitted through the “Remaining Discrepancy NOT Accounted For” category, in the case of an issuer that must provide those explanations, or through an email to ACAriskcorridors@cms.hhs.gov, in the case of an issuer that is required only to provide the checklist.