CMS' Responses to Public Comments
CMS-10379
Rate Increase Disclosure and Review Reporting Requirements

A 60-day Federal Register Notice was published on February 19, 2016 (Vol. 81, No. 33, Page 8498)

The Centers for Medicare and Medicaid (CMS) received many comments related to CMS-10379, the 2017 Unified Rate Review Iinstructions. The information presented below is a reconciliation of the comments.

Comment:
The "as-of date" on the title page currently shows Jan. 20, 2015; this should be updated.

Response:
The date should have indicated January 20, 2016. CMS has updated the instructions to reflect the date of the most recent changes, including the appropriate year.

Comment:
The purpose of Part III is to describe the assumptions in Part I. Should Part III be required whenever Part I is required? Why, on page 4 of the instructions, does Part I appear to be required for all filings, yet Part III is only required for filings with a rate increase?

Response:
Part III is required for all QHP filings and whenever a state or CMS requires it for non-QHP filings. CMS has updated the language on page 4 of the instructions to clarify this.

Comment:
CMS released a notice allowing states with effective rate review to require rate filing submissions as late as July 15, 2016. Page 6 of the URRT Instructions state issuers must submit both QHP and non-QHP filings by the earlier of the last day of the QHP certification application window or the date the state requires. The instructions should be updated to provide consistent guidance.

Response:
After the draft URRT Instructions were released for a 60-day comment period, CMS issued a Bulletin regarding the timing of required rate filing submissions[1]. Page 5 of the URRT Instructions has been revised to match that guidance. The instructions now read, "Issuers must submit annual rate filings for both QHPs and non-QHPs in the single risk pool by the earlier of: (i) July 15, 2016 or (ii) the date the State requires."

Comment:

[1] See Bulletin issued on February 29, 2016 at https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Final-rate-filing-justification-bulletin-2-29-16.pdf

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The definition of Index Rate on page 8 of the instructions should be updated to specify that Index Rate is the “allowed claims costs for providing Essential Health Benefits.”

__Response:__
CMS added the word “allowed” to the definition of the Index Rate on page 8 ~~eight~~ of the instructions. The sentence now reads, “The Index Rate is the allowed claims costs for providing Essential Health Benefits (EHBs) within the single risk pool of that market expressed on a per member per month basis.”

__Comment:__
On Page ~~eight~~8, in the fourth bullet under Plan Adjusted Index Rate, add the phrase "and Risk Adjustment user fees." The recommended new sentence would then read, "Administrative costs, excluding Exchange user fees and Risk Adjustment user fees (which are already accounted for in the Market-Wide Adjusted Index Rate)."

__Response:__
CMS added the suggested language.

__Comment:__
On Page ~~nine~~9, in the first sentence of the second paragraph regarding Calibration, add the phrase “each of.”~~.~~ The sentence would then read as follows, “For each of the allowable rating factors of age and geography, there is ONLY ONE calibration allowed.”

__Response:__
CMS added the suggested language.

__Comment:__
Add a “Tip” box to highlight the importance of making sure formatting and decimal place limits are consistent with the Unified Rate Review Template (URRT) if copying and pasting values into the URRT.

__Response__:
Due to the importance of filling out the URRT correctly, CMS added a “Tip” box to remind issuers to make sure any formatting of copied and pasted cells into the URRT uses the correct formatting.

__Comment:__
CMS received several comments regarding the Effective Date found in Worksheet 1 and its source cell. The instructions stated that the date is automatically populated based on the effective date entered in Row 24 of Worksheet 2. Row 25 of Worksheet 2 is the actual source cell.

__Response:__
CMS updated the URRT Instructions to indicate that Row 25 of Worksheet 2 is the source cell for the Effective Date in Worksheet 1.

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Comment:
CMS received some comments expressing confusion around the term “wrap policy” on page 12 of the URRT Instructions. This term was in reference to policies offered as an arrangement between licensed entities where each entity provides a part of the coverage toward the total benefits (e.g. a Point of Service type plan where an HMO entity offers in-network benefits, while a licensed insurance company offers out-of-network benefits). In this type of arrangement, coverage from both licensed entities must be purchased together. To prevent this from being confused with “limited wraparound coverage” defined by 45 CFR 146.145, it was suggested CMS use the term “joint policy.”

Response:
The URRT Instructions now refer to this type of policy as a “joint policy” instead of a “wrap policy.”

Comment:
Premiums (net of MLR Rebate) in Experience Period. On Page 14, in the first paragraph at the top, add the phrase “including the expected Risk Adjustment receivables or payables and Risk Corridor receivables or payables” after “Start with premiums earned.”
These items would be counted as premiums earned; however, because they are not currently spelled out, some issuers might miss these items. Risk Adjustment is spelled out on page 13 to be included in the experience period premiums, but it has been dropped from the more prescriptive description on page 14. In addition, Risk Corridor has not been mentioned, although it is also an experience period revenue item. If issuers know the risk corridor amount they owe to CMS, it should be included as a decrement to revenue. Amounts owed and expected to be paid by CMS to issuers for the experience period may not be able to be estimated because funding for receivables is dependent on actual payables and the availability of other appropriations. Risk Corridor payables should be included to the extent they can be estimated.

Response:
CMS agrees and has added the suggested language.

Comment:
Add a "Tip" box in the "Index Rate of Experience Period" section to note the whole dollar value requirements. The draft instructions do not emphasize enough how this limitation in the template could trip up an issuer's filing. The language appears to indicate that the spreadsheet/URRT data field will not be set to indicate a typical dollar amount format (where if "5" is placed in the field the data would indicate "5.00"). If that is the case, and the data field will not accept any decimal places, it is very important to make that clear.

Response:
CMS added a “Tip” box to the URRT Instructions to address this comment.

Comment:
In 2.2 Worksheet 2, edit the paragraph beginning "in all cases" to improve clarity.

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The recommendation is to change the sentence to read as follows, "In all cases, reasonable projected values are to be entered for all plans directly. In prior years, CMS allowed issuers to use a plan averaging option, but that option is no longer available because the trigger for being subject to a threshold increase review occurs at the plan level."

Response:
CMS changed the word "as" to "because." However, CMS did not change "a product" because the rate review still occurs at the product-level. The threshold that triggers rate review is now at the plan-level.

Comment:
Several commenters requested clarification on how the "largest terminating Plan ID" under section 1) b) iii of the Plan Mapping Instructions should be identified.

Response:
CMS added language to indicate the largest terminating plan should be determined based on experience period member months.

Comment:
2.2 Worksheet 2 – Plan Product Information
In item 3b on page 28, the instructions reference single risk pool plans that are "terminated in the rating period." should that reference read "terminated before the rating period" to be consistent with the text above it in item #3 ("plans effective during the experience period that will no longer be offered during the projection period.")?

Response:
CMS has revised the sentence to read, "Each single risk pool plan that was effective during the experience period, terminated prior to the rating period, and not mapped into another single risk pool plan should be included in Worksheet 2 in its own column."

Comment:
On page 29, the instructions say that "the list of single risk pool plans that are terminated in the projection period should be included in the Actuarial Memorandum." The language "in the projection period" should be changed to read "before the projection period" for consistency with guidance on page 28 (Plan Mapping Instructions).

Response:
CMS has revised the sentence to read "The list of single risk pool plans that are terminated prior to the projection period should be included in the Actuarial Memorandum."

Comment:
In the indented paragraph at the end of the "Product" section, the information in that indented paragraph should also be highlighted in a "Tip" box. - It states, "Currently, HIOS does not report product names containing special characters, e.g. '%'..."

Response:

CMS added a "Tip" box to page 29 of the URRT Instructions to highlight the fact that HIOS does not report special characters.

Comment:

The AV Pricing Value section on page 31 states issuers should enter a value of zero for non-single risk pool products reported on a combined basis as terminated products prior to the projection period. However, the URRT does not allow an entry of zero in the AV Pricing field.

Response:

CMS updated the URRT Instructions to indicate that a value of 0.01 should be entered for non-singe risk pool products reported on a combined basis as terminated products prior to the projection period.

Comment:

CMS received several comments pointing out that the Plan ID section erroneously states, "Plan IDs contain four digits." Plan IDs actually contain 14 digits.

Response:

CMS has updated the URRT Instructions.

Comment:

On page 36, Cumulative Rate Change Percent (over the 12 months prior). In the first indented paragraph, CMS should add the word "plan's." The sentence would then read, "This should be measured as the change in the premium rates tables over the 12 month prior rate…table using the plan's current distribution of enrollment by age, geographic area, and tobaccos status."

Response:

CMS has revised the sentence to read as suggested.

Comment:

On page 38, Average Current Rate PMPM. In the last complete sentence in the last paragraph, CMS should add the phrase, "or the latest rates that are currently under review by the applicable regulatory agency, or are anticipated to be submitted." The sentence would then read, "In the case of small group rates where a trend is filed and approved, the Average Current Rate PMPM should reflect the latest approved rate, or the latest rates that are currently under review by the applicable regulatory agency, or are anticipated to be submitted." By making this change, there will be consistency with the language used on page 35 under Historic Rate Increases, second to last paragraph, first sentence, "For the current calendar year, include all rate changes that have been approved, are currently under review by the applicable regulatory agency, or are anticipated to be submitted."

Response:

CMS has revised the sentence to read as suggested.

Comment:

The Net Amount of Rein(surance) Section. This paragraph notes that the reinsurance program ends with the 2016 benefit year. CMS received a comment stating that the phrase "it is expected

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this field will be populated with ‘0’" is not clear. The commenter asked if that means the field will be auto-populated by CMS or should issuers insert "0" in the field?
Response:
CMS has revised the sentenced to clarify that the issuer should populate the field with “0.”

Comment:
The written description justifying the rate increase component titled, “Administrative costs and anticipated profits” should be changed to “Administrative costs and anticipated margin.”

Response:
CMS agrees that “margin” is a more appropriate term, and we hassve updated the language as suggested.

Comment:
Projected ACA Reinsurance Recoveries Net of Reinsurance Premium. The last phrase should be modified from "it is expected this field will be populated with ‘0’" to "issuers should insert ‘0’ in this field.”

Response:
CMS has revised the sentence to clarify that the issuer should populate the field with “0.”

Comment:
CMS received several comments suggesting changes to the Unified Rate Review Template (URRT), including adding or removing fields.

Response:
Changes to the URRT require significant development time and resources. Such changes are not feasible at this time. CMS will take these suggestions into consideration when developing the URRT for future filing years.

Comment:
CMS received several comments suggesting changes to current CMS guidance, regulations and policy.

Response:
CMS has issued regulations and guidance for the 2017 filing year, and rate filings have already been submitted in several states. Therefore, it is too late to make changes to current regulations and guidance. However, CMS will retain all suggestions and will consider changes in future filing years.

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