

**Crosswalk for Changes to the 2015 MLR Annual Reporting Form and Instructions
(CMS 10418) Following the 60 Day Comment Period**

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A. Introduction

CMS received 3 public comments regarding the notice of the revised Medical Loss Ratio (MLR) PRA package published in the Federal Register on February 19, 2016 (81 FR 8498). The 60-day comment period closed on April 19, 2016. The PRA package contains two collections of information: the MLR Annual Reporting Form (including the Risk Corridors component) that issuers must file with CMS each year by July 31 and the accompanying Form Instructions, and the Rebate Notices that issuers must send to subscribers and policyholders each year no later than September 30. The PRA package modifies the 2014 MLR Annual Reporting Form, which was previously approved by OMB under OMB Control Number 0938-1164. The Rebate Notices, which were also previously approved under the same OMB Control Number, are not being revised at this time.

B. Changes to MLR and Risk Corridors Reporting Forms and Instructions

Most of the comments on the MLR Form and Instructions requested clarification of the instructions and correction of errors and inconsistencies, and addressed treatment of cost-sharing reduction payments and risk adjustment amounts. Comments on the Risk Corridors Plan-Level Data Form and Instructions additionally requested clarification on definitions of earned premium and addressed errors in payment and charge calculations. The following table contains the list of changes made to the 2015 MLR Annual Reporting Form and Risk Corridors Plan-Level Data Form and the accompanying Form Instructions as a result of internal review and in response to comments received following the 60-day public comment period.

**2015 MLR Annual Reporting Form, Risk Corridors Plan-Level Data Form, and
Form Instruction Changes Following the 60-Day Comment Period**

| | Document | Section Edited | Revision (Red indicates modified language) | Rationale |
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| 1 | MLR Reporting Form | Part 1 – Summary of Data | Edited the title of Column 11: “Health Insurance Large Group Total as of 12/31/ 16 15” | In response to comments; to correct typographical error |
| 2 | MLR Form Instructions | Part 1 – Summary of Data | Edited instructions for Line 5.6, “Exclude” list to correct formatting error | In response to a comment; to correct typographical error |
| 3 | MLR Form Instructions | Part 1 – Summary of Data | Revised the instructions for Line 3.2a: Guaranty fund assessments. <i>Note: if such assessments will be offset in future years through reductions in state taxes or through premium surcharges, as permitted by the state, the issuer may defer reporting such guaranty fund assessments until the year(s) of offset.</i> | In response to a comment requesting the allowance for the matching of guaranty fund assessments with offsetting revenue increases in accordance with state provisions for such offsets. |
| 4 | MLR Form Instructions | Part 2 – Premium and Claims | Revised instructions for Line 1.9 (Federal Transitional Reinsurance Program Payments): <i>3/31 Column – Include expected payments from HHS, as shown on the notification received from HHS by June 30 of the year following the MLR reporting year (unless instructed otherwise by HHS).</i> <i>[RC] 3/31 Column – Include:</i> <i>-Expected payments from HHS for the 2015 benefit year, as shown on the notification received from HHS by June 30, 2016 (unless instructed otherwise by HHS).</i> <i>-Subtract from the above the difference between the reinsurance payment amount reported by the issuer for the 2014 benefit year on the 2014 MLR Form and the reinsurance amount actually paid to the issuer for the 2014 benefit year. Do not include adjustments for pending appeals unless the appeal has been resolved (in which case the payment would have been made).</i> | To allow for reported amounts to correctly flow through Part 3 and risk corridors calculation. |
| 5 | MLR Form Instructions | Part 2 – Premium and Claims | Revised instructions for Line 1.10 (Federal Risk Adjustment Program Net Receipts or Charges): <i>3/31 Column – Include expected net payments from HHS (enter as a positive amount) or charges payable to HHS (enter as a negative amount), as shown on the notification received from HHS by June 30 of the year following the MLR reporting year (unless instructed otherwise by HHS), including any risk adjustment default charges or default charge allocation amounts.</i> <i>[RC] 3/31 Column – Include:</i> | To allow for reported amounts to correctly flow through Part 3 and risk corridors calculation. |

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| | | | <p>-Expected net payments from HHS (enter as a positive amount) or charges payable to HHS (enter as a negative amount) for the 2015 benefit year, as shown on the notification received from HHS by June 30, 2016 (unless instructed otherwise by HHS), including any risk adjustment default charges or default charge allocation amounts.</p> <p>-Subtract from the above the difference between the risk adjustment amount reported by the issuer for the 2014 benefit year on the 2014 MLR Form and the amount actually paid to the issuer for the 2014 benefit year. Do not include adjustments for pending appeals unless the appeal has been resolved (in which case a payment would have been made).</p> | |
| 6 | MLR Form Instructions | Part 2 – Premium and Claims | Edited instructions for Line 2.1: Revised “State subsidies based on a stop-loss payment methodology (include as a negative adjustment), including receipts from certain state reinsurance programs” and moved this clause from the “Include” list to the “Deduct” list | In response to a comment requesting guidance and clarification on where to report state reinsurance program amounts. |
| 7 | MLR Form Instructions | Part 2 – Premium and Claims; Part 3 – MLR and Rebate Calculation | <p>Renamed Part 2, Line 2.18 and Part 3, Line 1.4: “Advance Reconciled payments for cost-sharing reductions”</p> <p>Revised instructions for Part 2, Line 2.18: 3/31 Column – Include the total reconciled cost-sharing reductions amount received for the 2015 benefit year (MLR reporting year).</p> <p>[RC] 3/31 Column – Include:</p> <ul style="list-style-type: none"> -The reconciled cost-sharing reductions amount for the 2015 benefit year (as reported to the issuer by CMS); minus -The difference between the cost-sharing reductions amount for the 2014 benefit year that was reported by the issuer on the 2014 MLR Form and the reconciled cost-sharing reductions amount for the 2014 benefit year (as reported to the issuer by CMS). | In response to comments, corrected line description and clarified instructions |
| 8 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | <p>Revised instructions for Line 1.4:</p> <p>PY1 Column – Amount of cost-sharing reductions received for 2014, as reconciled in 2016.</p> <p>RC Column – Part 2, Line 2.18, Column [RC] 3/31. Report a reconciled CSR amount that reflects: the reconciled CSR amount for the 2015 benefit year (as reported to the issuer by CMS), minus the difference between the CSR amount reported by the issuer on the 2014 MLR Form and the reconciled CSR amount for the 2014 benefit year (as reported to the issuer by CMS).</p> | To clarify instructions and to allow for reported amounts to correctly flow through Part 3 and risk corridors calculation. |

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| 9 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | <p>Revised instructions for Line 1.5: PY1 Column – 2014 MLR Form, Part 2, Line 1.9, Columns 3/31 + Deferred PY1 – Deferred CY. Restate amounts to reflect any changes or updates to reinsurance payments for the 2014 benefit year communicated by HHS after June 30, 2015, including any changes communicated after the filing of the 2014 MLR Form.</p> <p>CY Column – Part 2, Line 1.9, Columns 3/31 + Deferred PY1 – Deferred CY</p> <p>RC Column – Part 2, Line 1.9, Column [RC] 3/31. The issuer can adjust for differences in reinsurance payments that were actually received after June 30, 2015 that differ from the amount reported on the 2014 MLR Form. Therefore, issuers will report a total reinsurance payment amount that reflects: the reinsurance payment amount for the 2015 benefit year (as reported to the issuer by CMS on the June 30, 2016 report), minus the difference between the reinsurance payment amount reported by the issuer for the 2014 benefit year on the 2014 MLR Form and the reinsurance amount that was actually paid to the issuer for the 2014 benefit year. There are no adjustments for pending appeals unless the appeal has been resolved (in which case payment would have been made).</p> | To clarify instructions and to allow for reported amounts to correctly flow through Part 3 and risk corridors calculation. |
| 10 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | <p>Revised instructions for Line 1.6: PY1 Column – 2014 MLR Form, Part 2, Line 1.10, Columns 3/31 + Deferred PY1 – Deferred CY. Restate amounts to reflect any changes or updates to transfer amounts for the 2014 benefit year communicated by HHS after June 30, 2015, including any changes communicated after the filing of the 2014 MLR Form.</p> <p>RC Column – Part 2, Line 1.10, Column [RC] 3/31. The issuer can adjust for differences in risk adjustment transfers that were actually paid or received after June 30, 2015, that differ from the amount reported on the 2014 MLR Form. Therefore, issuers will report a total risk adjustment amount that reflects: the risk adjustment transfer amount for the 2015 benefit year (as reported to the issuer by CMS on the June 30, 2016 report), minus the difference between the risk adjustment amount reported by the issuer for the 2014 benefit year on the 2014 MLR Form and the amount that was actually paid to the issuer for the 2014 benefit year. There are no adjustments for pending appeals unless the appeal has been resolved (in which case a payment would have been made).</p> | In response to comments, to clarify the date as of which issuers should report 2014 risk adjustment amounts. |

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| 11 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | Revised instructions for Line 1.7: PY1 Column – Payments: (2014 MLR Form, Part 2, Line 1.11, Columns 3/31 + Deferred PY1 – Deferred CY) x (Risk corridors payments for the 2014 benefit year received from HHS as of the filing date of the 2015 MLR Form) / (2014 Risk Corridors Plan-Level Data Form, Tab 3, Line 96) | In response to a comment; to correct typographical error |
| 12 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | Edited instructions for Line 2.1: PY2 Column – 2013 MLR Form, Part 1, Lines 1.1 + 1.2 + 1.3, Columns 3/31 + Deferred PY1 – Deferred CY – Part 4 Line 6.1a, Column CY PY1 Column – 2014 MLR Form, (Part 1, Lines 1.1 + 1.2 + 1.3, Columns 3/31 + Deferred PY1 – Deferred CY) – (Part 3, Lines 1.5 + 1.6 + 1.7, Column CY) + Part 3 Line 7.1a, Column PY1 | Instructions were revised to clarify calculations |
| 13 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | Edited instructions for Line 2.2: PY2 Column – <u>Federal tax-exempt issuers:</u> 2013 MLR Form, Part 1, Lines 3.1a + 3.1b + 3.1c + 3.2a + 3.2b + 3.2c + 3.3, Columns 3/31 + Deferred PY1 – Deferred CY – Part 4 Line 6.1b, Column CY <u>Non Federal tax-exempt issuers:</u> 2013 MLR Form, Part 1, Lines 3.1a + 3.1b + 3.1c + 3.2a + (the higher of 3.2b or 3.2c) + 3.3, Columns 3/31 + Deferred PY1 – Deferred CY – Part 4 Line 6.1b, Column CY PY1 Column – <u>Federal tax-exempt issuers:</u> 2014 MLR Form, Part 1, Lines 3.1a + 3.1b + 3.1c + 3.1d + 3.2a + 3.2b + 3.2c + 3.3a + 3.3b, Columns 3/31 + Deferred PY1 – Deferred CY + Part 3 Line 7.1b, Column PY1 <u>Non Federal tax-exempt issuers:</u> 2014 MLR Form, Part 1, Lines 3.1a + 3.1b + 3.1c + 3.1d + 3.2a + (the higher of 3.2b or 3.2c) + 3.3a + 3.3b, Columns 3/31 + Deferred PY1 – Deferred CY + Part 3 Line 7.1b, Column PY1 | Instructions were revised to clarify calculations and to correct a typographical error |
| 14 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | Edited instructions for Lines 3.6 and 3.7 to delete the Note: Note: For issuers in States that have not adopted CMS's transitional policy, Line 3.6 should equal Line 3.4. Note: For issuers in States that have not adopted CMS's transitional policy, Line 3.7 should equal Line 3.5. | In response to a comment; to correct typographical error |
| 15 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | Edited instructions for Line 6.1: PY1 Column – 2014 MLR Form, Part 4 3, Line 5.4 6.1, Total Column | In response to a comment; to correct typographical error |

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| 16 | MLR Form and Instructions | Part 1 – Summary of Data; Part 2 – Premium and Claims; Part 3 – MLR and Rebate Calculation | <p>Renamed Part 1, Line 2.11: “Allowable claims recovered through fraud reduction efforts expenses (MLR Form Part 2, Line 2.17)”</p> <p>Renamed Part 2, Line 2.17: “Allowable claims recovered through fraud reduction efforts expenses (the smaller of Lines 2.17a or 2.17b)”</p> <p>Made corresponding edits to instructions for these lines as well as Part 3, Lines 1.2 and 7.2b:</p> <p>Line 1.2 – Adjusted incurred claims as of 3/31 of the year following the MLR reporting year</p> <p>PY2 Column – enter the amount of adjusted incurred claims reported on Part 1, Lines 2.1 + 2.11, Columns 3/31 + Deferred PY1 – Deferred CY of the MLR Form 2 years prior to the MLR reporting year, restated as of 3/31 of the year following the MLR reporting year. For example, for reporting year 2014, enter 2012 adjusted incurred claims restated as of 3/31/2015. (This is also known as claims incurred in 12 months and paid in 39 months.) Restate all applicable elements of adjusted incurred claims, including reserves and the allowable claims recovered through fraud reduction expense efforts, in accordance with the Filing Instructions from 2 years prior to the MLR reporting year.</p> <p>PY1 Column – enter the amount of adjusted incurred claims reported on Part 1, Line 2.1 + 2.11, Columns 3/31 + Deferred PY1 – Deferred CY of the MLR Form for the preceding MLR reporting year, restated as of 3/31 of the year following the MLR reporting year. (This is also known as claims incurred in 12 months and paid in 27 months). Restate all applicable elements of adjusted incurred claims, including reserves and the allowable claims recovered through fraud reduction expense efforts, in accordance with the Filing Instructions from the year preceding the MLR reporting year.</p> <p>7.2b Adjusted incurred claims as of 3/31 of the year following the benefit year</p> <p>Enter the amount of adjusted incurred claims reported on Part 1, Line 2.1 + 2.11, Column [RC] 3/31 of the 2014 MLR Form, restated as of 3/31/2016. (This is also known as claims incurred in 12 months and paid in 27 months). Restate all applicable elements of adjusted incurred claims, including reserves and the allowable claims recovered through fraud reduction expense efforts, in accordance with the Filing Instructions.</p> | Line descriptions were corrected to more accurately reflect the regulation |
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| 17 | MLR Form Instructions | Part 3 – MLR and Rebate Calculation | <p>Edited instructions for Line 7.1:</p> <p>7.1a Disclose the deferred portion of premium for each respective State and market. If this amount was excluded from Line 2.1, Column CY of the 2013 MLR Form, subtract it from Line 2.1, Column PY2 (so that Line 2.1, Column PY2 of the 2015 MLR Form equals the amount reported in Line 2.1, Column CY of the 2013 MLR Form), and add it to Line 2.1, Column PY1 (so that Line 2.1, Column PY1 of the 2015 MLR Form equals the amount reported in Line 2.1, Column CY of the 2014 MLR Form).</p> <p>7.1b Disclose the total Federal and State taxes paid on the associated premium revenue. If this amount was excluded from Line 2.2, Column CY of the 2013 MLR Form, subtract it from Line 2.2, Column PY2 (so that Line 2.2, Column PY2 of the 2015 MLR Form equals the amount reported in Line 2.2, Column CY of the 2013 MLR Form), and add it to Line 2.2, PY1 Column (so that Line 2.2, Column PY1 of the 2015 MLR Form equals the amount reported in Line 2.2 Column CY of the 2014 MLR Form).</p> | Language was revised to clarify instructions |
| 18 | RC Form and Instructions | Throughout | Replaced references to “billable premium,” to “ premium earned ”. | Language was updated to be consistent with finalized versions of the previous year. |
| 19 | RC Form and Instructions | Table 4, Column N (Appendix A, page 16) | Added in missing text Auto-calculated for the user: Table 4, Column M divided by Table 1, Column A. which incorrectly appeared in Tab 3, “Risk Corridors Payment and Charge Calculation”, Line 1 detail. | Language was updated to add a missing definition |
| 20 | RC Form and Instructions | Tab 3, “Risk Corridors Payment and Charge Calculation”, Line 1 | Replaced “Auto-calculated for the user: Table 4, Column M divided by Table 1, Column A.” with “ Auto-calculated for the user: Column F + Column J + Column N ”. | Language was updated to correct swapped definitions (see above) |
| 21 | RC Form and Instructions | Tab 3, “Risk Corridors Payment and Charge Calculation”, Line 3 | <p>Replaced references to MLR Reporting Form, Part 3, Line 3.7 with 3.5: User input: MLR Reporting Form, Part 3, Line 3.75.</p> <p>Refer to MLR Reporting Form instructions for calculating Line 3.75, Part 3 of the MLR Reporting Form.</p> | Revised to be consistent with renumbered lines in the MLR Reporting Form |
| 22 | RC Form and Instructions | Tab 3, “Risk Corridors Payment and Charge Calculation”, Line 7 | <p>Replaced references to MLR Reporting Form, Part 3, Line 3.9 with 3.7: User input: MLR Reporting Form, Part 3, Line 3.97.</p> <p>Refer to MLR Reporting Form instructions for calculating Line 3.97, Part 3 of the MLR Reporting Form.</p> | Revised to be consistent with renumbered lines in the MLR Reporting Form |

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| 23 | RC Form and Instructions | Tab 3, "Risk Corridors Payment and Charge Calculation", Line 8 (Appendix A, page 17) | Replaced calculation reference stating that this is a "user input" cell to say it is auto-calculated for user . | In response to comment showing inaccuracy between instructions and Form |
| 24 | RC Form and Instructions | Tab 3, "Risk Corridors Payment and Charge Calculation", Line 9 | Replaced references to Line 3 with Line 7: -If Line 8 is at least 108%: $80\% \times (\text{Line 2} - 108\% \times \text{Line 3 7}) + 2.5\% \times \text{Line 7}$. -If Line 8 is at least 103% but less than 108%: $50\% \times (\text{Line 2} - 103\% \times \text{Line 3 7})$. -If Line 8 is at least 97% but less than 103%: zero (0) -If Line 8 is at least 92% but less than 97%: $50\% \times (\text{Line 2} - 97\% \times \text{Line 7})$. -If Line 8 is less than 92%: $80\% \times (\text{Line 2} - 92\% \times \text{Line 3 7}) - 2.5\% \times \text{Line 7}$. | In response to comment |
| 25 | RC Instructions | General Instructions | Deleted line "Risk Corridor zip file uploads will be allowed after the full MLR attestation has been completed" | Change made to be consistent with MLR instructions |