

**Responses to Comments Received on the Revised CMS-10418  
Federal Register 60-Day Notice (81 FR 8498)**

**Table of Contents**

A. Introduction.....1  
B. Comments on the 2016 MLR Annual Reporting Form and Instructions.....1

**A. Introduction**

CMS received six comments on a number of specific issues regarding the notice of the revised Medical Loss Ratio (MLR) PRA package published in the Federal Register on May 2, 2017 (82 FR 20481). The 60-day comment period closed on July 3, 2017.

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 2015 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.

Most of the comments addressed clarification of the instructions, correction of errors and inconsistencies, reporting of cost-sharing reduction payments and the transitional reinsurance and the risk adjustment amounts. The summary below sets forth each comment and our response.

**B. Comments on the 2016 MLR Annual Reporting Form and Instructions**

1. One comment noted a typographical error on the MLR Form Instructions Part 3, Line 1.8.

CMS Response

CMS corrected the error as requested.

2. One comment suggested that Part 2, Line 2.18 “Reconciled payments of cost-sharing reductions” provide issuers the ability to report of cost-sharing reductions (CSRs) as reconciled in 2017, rather than only as reconciled in 2016.

CMS Response

CMS revised the instructions as requested.

3. One comment requested clarification regarding the treatment of changes in the 2014 federal transitional reinsurance and risk adjustment amounts relative to amounts reported on the 2015 MLR Form in the risk corridors (RC) columns of the 2016 MLR Form.

CMS Response

CMS revised the instructions as requested to clarify that in the RC columns, issuers should include an adjustment for the difference between the reinsurance payments and risk adjustment transfer amounts paid or received for the 2014 benefit year and the corresponding amounts reported on the 2015 MLR Form.

4. One comment requested clarification regarding the treatment of the transitional reinsurance and risk adjustment amount receipts in excess of the amounts shown on HHS communications.

CMS Response

CMS revised the instructions to clarify that the higher prior benefit year reinsurance and risk adjustment amounts that actually occurred should be reported even if those higher amounts were not reflected on HHS communications.

5. One comment indicated that the rebate liability limit calculation in Part 3 did not work consistently in all scenarios, such as for market segments where preliminary MLRs on Line 5.1 were affected by previous year multipliers such as Student Health Plans.

CMS Response

CMS revised the instructions to simplify the calculation so that it accounts in a universal manner for all possible scenarios and is not dependent on the various permutations of preliminary MLRs of the three years included in the aggregation, as well as make conforming edits to provide additional clarifications, reporting flexibility, and updated and improved numeric examples illustrating the calculation.

6. One comment related the commenter's position on the Affordable Care Act and the proposed legislation modifying the ACA (ACHA).

CMS Response

CMS made no changes based on this comment, as it did not directly address the information collection instrument included in this PRA package.