

February 22, 2022

Chiquita Brooks-LaSure, Administrator
Centers for Medicare and Medicaid Services
Office of Strategic Operations and Regulatory Affairs
Division of Regulations Development
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Attention: CMS–10398 (#74)/OMB control number: 0938–1148

**Re: Medicaid and Children’s Health Insurance Program (CHIP) Generic
Information Collection Activities: Proposed Collection; Comment Request
[Document Identifier: CMS–10398 #37]**

Dear Administrator Brooks-LaSure:

The Medicaid Health Plans of America (MHPA) is pleased to have this opportunity to respond to your request for comment on the Notice published in the Federal Register on February 8th, 2022, related to the revision of the currently approved collection of information for the Medicaid Managed Care Rate Development Guide (the Guide). The Guide is an important resource for states, Medicaid health plans, and stakeholders, and we appreciate the opportunity to provide comments.

MHPA is the only national trade association with a sole focus on Medicaid, representing more than 130 managed care organizations (MCOs) serving more than 43 million Medicaid beneficiaries in 40 states, the District of Columbia and Puerto Rico. MHPA’s members include both for-profit and non-profit, national and regional, as well as single-state health plans that compete in the Medicaid market. Nearly three-quarters of all Medicaid beneficiaries receive health care through MCOs, and the association provides research and advocacy services that support policy solutions to enhance the delivery and coordination of comprehensive, cost-effective, and quality health care for Medicaid beneficiaries.

As we shared in our comments last year, we believe the Guide is a valuable means for communicating essential information for states and their MCO partners that assist and support the Medicaid managed care rate-setting process in a transparent manner. However, we also believe that increased opportunities for engagement with Medicaid MCOs related to the development of the Guide prior to its official release on an annual basis, at a minimum, would help bolster efforts to incorporate and implement processes and actions that help ensure actuarial soundness and support transparency, clarity, and innovation in the Medicaid managed care rate development process. Two key areas of focus for MHPA include provisions around the establishment of clear risk-sharing arrangements prior to the rate period as well as clarity on the treatment of COVID-19 impacted data.

Risk-sharing Arrangements

We appreciate CMS's efforts to implement final rule provisions that ensure states detail any risk-sharing arrangements prior to the start of the rating period. The complexities of rate setting and the nuances of risk-sharing arrangements matter when determining the appropriateness of rates for a specific contract and rating period. As CMS begins to accept states' submissions of draft managed care contract actions that are not officially executed and documentation from a state's actuary that may not reflect final full rate development or is limited to a description of the risk-sharing arrangement(s), we ask that CMS ensure a sufficient level of detail on the risk-sharing arrangement to ensure impact on rates and contracts can be fully understood by all partners. We appreciate that CMS notes the requirement that final, executed contract and rate certification documents must be unchanged from the prior submission to CMS for the risk mitigation arrangement(s) to be approvable under 42 C.F.R. 438.6(b)(1). We ask that timeliness of these decisions as well as inclusion of impacted MCOs in communication regarding approvals is accounted for in this process.

Treatment of COVID-19 Public Health Emergency (PHE)

We appreciate the inclusion of a more robust set of expectations to document assumptions pertaining to the rate development impacted by the COVID-19 PHE. We appreciate the inclusion of the description of any risk mitigation strategies being utilized and how those strategies compare to strategies utilized in the prior rating period. We believe this is a strong addition to the list of factors that are impacting rate setting and risk-management settings. We encourage CMS to continue proactive engagement with States as they learn from the complexities of rate setting during this time and encourage caution as many unknowns remain about the impacts of deferred care, ongoing treatment, vaccination costs and beneficiary profile shifts with redeterminations – particularly as the PHE winds down.

Transparent and Quantitative Approach to Underwriting Gain Assumption Development

As we have shared in our letter from January 2020 on Underwriting Gain assumptions and models used in capitation rate development (see <https://medicaidplans.org/wp-content/uploads/2020/05/MHPA-Letter-to-CMS-UWGain-Model-1.13.20.pdf>), we encourage CMS to require additional transparency and a model-based approach for the development of the underwriting gain assumption in capitation rate development which will support the financial stability of managed Medicaid programs.

We appreciate the explicit references to the statutory requirement for capitation rates to be actuarially sound (Section 1903(m) of the Social Security Act) and the implementing regulatory requirements at 42 CFR 438.4. As we have shared previously with the agency, MHPA believes that state adherence to two essential programmatic principles and safeguards, actuarial soundness and transparency protections, will support the Medicaid program's stability and sustainability by allowing for continued financial viability of state partner Medicaid MCOs.

Thank you for the opportunity to provide feedback on the Guide. We believe the comment opportunity demonstrates your commitment to transparency and provides a pathway for

stakeholder engagement that will ultimately benefit the Medicaid program and the beneficiaries we serve.

Please feel free to reach out to me directly at sattanasio@mhcpa.org with any questions or should you need any additional information.

Sincerely,

/s/

Shannon Attanasio
Vice President, Government Relations and Advocacy