Risk Corridors and Medical Loss Ratio (MLR) Resubmissions for the 2014 Benefit Year

Q: Some issuers have been notified by CMS that their risk adjustment transfer amounts were adjusted after the release of the June 30, 2015, notification of payments and charges report. Do these issuers have to resubmit their new risk adjustment transfer amounts for risk corridors and medical loss ratio (MLR) filings for the 2014 benefit year?

A: After posting the June 30 report, CMS notified some issuers of updates to their risk adjustment transfers and risk adjustment default charge allocations. Because these notifications did not occur in time for these issuers to submit by the July 31, 2015, risk corridors and MLR filing deadline, CMS stated that issuers must resubmit their 2014 risk corridors and MLR reports.

Following the release of the updated risk adjustment payment notifications, some issuers have asked CMS if they must resubmit their data in cases where their updated risk adjustment payments had a nominal impact on their risk corridors and MLR calculations. If the inclusion of an issuer’s adjusted risk adjustment amount results in a $25 or less difference in their risk corridors or MLR amount in a given state and market, we will not require the issuer to resubmit the risk corridors and MLR reports for the 2014 benefit year for that state and market. If an issuer is under this threshold and does not resubmit for 2014, this adjusted amount must be included and reflected in its 2015 risk corridors and MLR filings.

All issuers that were notified of updates to their risk adjustment payment transfers or risk adjustment default charge allocations after the release of CMS’s June 30 report must recalculate their risk corridor payment or charge and MLR rebate amounts. Issuers with a calculated difference of more than $25 (greater or less than the original amount) must resubmit their 2014 MLR and risk corridors templates to CMS. Please contact MLRQuestions@cms.hhs.gov for resubmission instructions.

If affected issuers have additional questions about this minimum resubmission threshold, please contact ACARiskCorridors@cms.hhs.gov or MLRQuestions@cms.hhs.gov and include your HIOS ID(s).