

# **Technical Fact Sheet -- CCIIO Premium Reductions Provisions**

## **Medicare and Medicaid Programs, Clinical Laboratory Improvement Amendments (CLIA), and Patient Protection and Affordable Care Act; Additional Policy and Regulatory Revisions in Response to the COVID-19 Public Health Emergency**

The Centers for Medicare & Medicaid Services continue to take historic and unprecedented steps to equip the American healthcare system with maximum flexibility to respond to the 2019 Novel Coronavirus (COVID-19) pandemic. Today, CMS issued a sweeping array of new rules and waivers of federal requirements, including provisions addressing the individual and small group health insurance markets.

Due to the urgent need to help facilitate the nation's response to the COVID-19 pandemic, CMS announced the adoption of certain temporary policies of relaxed enforcement for all issuers offering health insurance coverage in the individual and small group markets to support continuity of coverage for individuals, families and small employers who may struggle to pay premiums because of illness or loss of incomes or revenue resulting from the public health emergency for COVID-19. On August 4, 2020 CMS announced a policy allowing issuers to offer temporary premium reductions for individuals with 2020 coverage in the individual and small group markets.

Today's regulation clarifies several requirements related to risk adjustment and Medical Loss Ratio (MLR) reporting and rebate requirements for issuers electing to provide temporary premium reductions.

Specifically, the rulemaking specifies that, for the purposes of 2020 benefit year risk adjustment data submissions, issuers of risk adjustment covered plans that provide temporary premium reductions must report the adjusted plan premiums that reflect actual premiums billed to enrollees for any temporary premium credits provided. In addition, consistent with this reporting of the actual premium amounts billed to enrollees for 2020 benefit year risk adjustment data submissions, HHS's calculation of risk adjustment payment and charges for the 2020 benefit year under the state payment transfer formula will be calculated using the statewide average premium that includes the lower premiums billed by issuer offering these temporary premium reductions.

Additionally, for the purposes of MLR reporting and rebates, the rulemaking clarifies that issuers that elect to provide temporary premium reductions must report as earned premium the actual, lower premium billed to enrollees for any temporary premium credits provided for the applicable months of 2020 coverage.