



FOR IMMEDIATE RELEASE:

July 28, 2015

FOR MORE INFORMATION:

Jeff Van Ness, (202) 204-7515

**SAFETY NET HEALTH PLANS HIGHLIGHT ACTUARIALLY SOUND RATES, QUALITY
IN COMMENTS ON MEDICAID MANAGED CARE REGULATION**

Issues highlight nearly 60 pages of comments on comprehensive regulatory overhaul

WASHINGTON—The Association for Community Affiliated Plans (ACAP) today submitted a comprehensive set of comments to the Centers for Medicare & Medicaid Services (CMS) on its Notice of Proposed Rulemaking that governs managed care organizations serving people whose health insurance is financed by Medicaid or the Children’s Health Insurance Program (CHIP). The proposed regulations constitute the most sweeping set of changes to the rules governing managed care organizations serving Medicaid and CHIP since 2002.

“We’re pleased that CMS has brought forward the Medicaid managed care regulations such that they more accurately reflect the managed care climate of the present day,” said ACAP CEO Margaret A. Murray. “Medicaid has significantly evolved and improved over the past thirteen years. We’re pleased for the opportunity to provide feedback to CMS on these important issues.”

Four notable areas of feedback from ACAP and its Safety Net Health Plans included:

- **Actuarial soundness.** ACAP expressed support for the regulation’s language aimed at increasing transparency in the rate-setting process. But at the same time, ACAP urged CMS to extend transparency to rate-setting interactions between the states and the plans by require states to disclose in a timely manner sufficient information to permit plans to replicate the rate-setting methodology and underlying assumptions, and to establish an appeals process for plans related to actuarial soundness.
- **Quality.** ACAP expressed support for enhanced quality reporting and standards, while expressing the need for said standards to be comprehensive, accurate and fair. ACAP’s most notable recommendation with respect to the proposed Quality Rating System (QRS) was to expand its application to *all* delivery systems, not just managed care—including fee-for-service and other emerging delivery systems—which would form a more complete picture of quality for policymakers and others. The organization also recommended stratification of quality reporting by population served, to improve fairness and accuracy, and better harmonizing requirements with existing External Quality Review programs to maximize efficiency.
- **Establishment of a Medicaid medical loss ratio (MLR).** In its comments, ACAP characterized a minimum Medical Loss Ratio as unnecessary. However, if an MLR were to be implemented, ACAP advocated that it be phased in over a period of time, feature lower *and* upper limits, be no higher than 80 percent for plans serving CHIP, and exempt Medicare-Medicaid plans. ACAP also expressed support for requiring new plans and new populations to report MLRs in initial phases of service, but exempting them from remittance requirements early on.



- **Network adequacy.** ACAP was generally supportive of the proposed regulations governing network adequacy, but strongly urged CMS to assure that time-and-distance standards around network adequacy were realistic, attainable, and addressed the use of telemedicine. ACAP also urged CMS to provide specific guidance to states surrounding their consideration of exceptions for health plans in instances where there is a shortage of available providers in a given service area or specialty.

Other areas of focused commentary from Safety Net Health Plans addressed provisions governing risk corridors, appeals and grievances, disenrollment provisions for programs addressing managed long-term services and supports (MLTSS), provider screening and enrollment, information services, and more.

“Our comments generally favor standards that are realistic, fair and attainable for managed care organizations. They promote transparency and fairness for all parties, especially with respect to rate-setting; and they encourage thoughtful, efficient use of scarce public resources,” added Murray.

“We have specific concerns about some areas of the proposed rules. But by and large, these rules present an opportunity for managed care organizations to further highlight the added value they have brought to the Medicaid and CHIP programs over the past two decades. More than 6 in 10 people with Medicaid are covered today by a managed care health plan, and with good reason.

“Hopefully CMS will look at the high standards posed today by these regulations and apply them across the entire spectrum of the program, including fee-for-service. Everyone with Medicaid deserves such high standards—not just members of a Medicaid health plan.”

To read the full set of comments, visit www.communityplans.net.

About ACAP

ACAP represents 60 nonprofit Safety Net Health Plans in 24 states, which collectively serve more than fifteen million people enrolled in Medicaid, Medicare, the Children’s Health Insurance Program (CHIP), and other health programs. For more information, visit www.communityplans.net.

###