



Yesterday, CMS/CCIIO released the proposed 2018 HHS Notice of Benefit and Payment Parameters (CMS-9934-P) and Draft 2018 Actuarial Value Calculator. The publication date is 9/6/2016. The comment period will close on 10/6/2016. CMS is issuing this rule earlier in the calendar year in order to provide more certainty to the Marketplace as it continues to mature.

"Right now, we are preparing to serve millions of consumers with a new set of innovations during the upcoming Marketplace Open Enrollment. As we do this, we are proposing today a set of critical actions based upon our first 3 years' experience that, if finalized, would improve how consumers and health plans interact with the Marketplace," said Acting Administrator of the Centers for Medicare and Medicaid Services Andy Slavitt. "These proposals help fulfill the promise that affordable, quality health coverage can be provided to everyone who needs it."

Beginning in 2017, the proposed policies will take important steps to strengthen one of the Marketplace's key tools for protecting consumers' access to high-quality, affordable coverage options: the risk adjustment program. The rule introduces changes that will make risk adjustment even more effective at pooling risk, allowing issuers to focus on meeting the needs of consumers. First, the rule proposes updates beginning in 2017 to better reflect the risk associated with enrollees who are not enrolled for a full 12 months. Second, beginning in 2018, the rule proposes to use prescription drug utilization data to improve the predictive ability of our risk adjustment models. Third, also beginning in 2018, the rule proposes to establish transfers that will help to better spread the risk of high-cost enrollees, a change that would improve the risk-sharing benefits of the program.

In addition to these improvements to risk adjustment, this proposed rule contains other provisions to improve the Marketplace consumer experience and strengthen the individual and small group markets as a whole. The proposed rule would give consumers additional tools for assessing the networks of competing plans; broaden availability of this year's new standardized plan options by accommodating state cost-sharing rules; and create consumer protections for consumers enrolling through the direct enrollment channel. The proposed rule would also create multiple child age bands that address instances in which consumers could face large premium changes after turning age 21; amend the guaranteed renewability regulations to provide additional flexibility for issuers to remain in an insurance market in certain situations; and codify several special enrollment periods that are already available to consumers in order to ensure the rules are clear and to limit abuse. It also seeks information on a number of suggestions offered by issuers, consumers, providers, and others on further improving the risk pool, such as additional changes to special enrollment period policies or outreach; clarifying coordination of benefit rules between Medicare, Medicaid, and the Marketplace; and providing greater certainty on the amount of user fee revenue spent on education and outreach.

The proposed rule builds on other recent actions to strengthen the Marketplace, including a recent request for information seeking public comment on concerns that some health care providers and provider-

affiliated organizations may be steering Medicare or Medicaid enrolled or eligible people into a Marketplace qualified health plan to obtain higher reimbursement rates; the announcement of a new outreach strategy targeting young adults; and the introduction of a pilot project in certain states to display information regarding QHP provider networks to promote greater transparency on HealthCare.gov.

The proposed rule can be found at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-20896.pdf> and on 09/06/2016 available online at <http://federalregister.gov/a/2016-20896>

CMS Press Release, click here: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2016-Press-releases-items/2016-08-29.html>

CMS Fact Sheet, click here: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2016-Fact-sheets-items/2016-08-29.html>