HEALTH ISSUES
Alert No. 2017-H-34
October 30, 2017

CMS Issues Notice of Benefit and Payment Parameters for 2019
Draft 2019 AV Calculator and Methodology Also Released

The Centers for Medicare & Medicaid Services (CMS) released the proposed Notice of Benefit and Payment Parameters (NBPP) for 2019 last week, as well as the draft 2019 actuarial value (AV) calculator and methodology.

According to the CMS fact sheet accompanying the NBPP proposed rule, it includes provisions that would:

- Make several adjustments to the risk adjustment methodology by:
  - Incorporating 2014 and 2015 MarketScan® data and 2016 enrollee data to recalibrate the risk adjustment model for 2019;
  - Allowing states to reduce the magnitude of risk adjustment transfers in the small group market; and
  - Removing two severity-only drug classes from the model.
- Maintain the user fee rate of 3.5 percent for federally-facilitated marketplaces; increase state-based marketplace (using the federal platform) user fee to 3.0 percent of premium.
- Increase state options for Essential Health Benefits (EHB) by:
  - Allowing states to select a new EHB-benchmark plan on an annual basis; and
  - Allowing states to choose from the 50 EHB-benchmark plans used for the 2017 plan year;
  - Allowing states to replace one or more EHB categories of benefits under its EHB-benchmark plan with the same categories of benefits from another state’s EHB-benchmark plan; or
  - Allowing states to select a set of benefits to become its EHB-benchmark plan.
- Remove several Small Business Health Options Program (SHOP) requirements impacting enrollment.
- Increases the threshold for rate increases subject to review to 15 percent, among other rate review coverage and deadline changes.

There is a 30-day comment period (no later than 5 p.m. on November 27, 2017) for the NBPP proposed rule, and the comment period for the AV calculator, methodology and user guide extends until 5 p.m. (Eastern time) on Friday, November 17, 2017.

If you have any questions regarding this Academy Alert, please contact David Linn, senior health policy analyst (linn@actuary.org; 202-785-6931).

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