

FLASH Actuarial: CMS Rate Guide

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Accelerated rate review requirements

On July 2, the Centers for Medicare and Medicaid Services (CMS) released the 2020-2021 Medicaid Managed Care Rate Development Guide (RDG) for use by states in setting capitation rates for rating periods starting between July 1, 2020 and June 30, 2021. A new addition to this year's rate guide is the national option for an accelerated rate review process. A new "Appendix A" to the rate guide summarizes the accelerated rate review process, participation criteria and documentation requirements. The RDG does not specify CMS' anticipated timeframe for approving rate certifications under the accelerated process.

Mercer Government's Flash provides a summary of CMS' accelerated rate review process to help determine whether the state programs meet the criteria for accelerated review, and the implications of requesting and submitting materials for accelerated review.

Timing of accelerated rate review requests

States interested in utilizing the accelerated rate review process must request to participate via email to the designated CMS email addresses (MMCratesetting@cms.hhs.gov and the DMCO mailbox) at least 120 days in advance of the start of the rating period, with exemptions for rates beginning July 1, 2020. CMS will respond within 2 weeks with whether the certification is eligible for the accelerated review.

If approved, states must then submit the following documents at least 90 days in advance of the rating period:

- Rate Development Summary (a newly defined document)
- Full rate certification and related supporting documents, including the RDG
- Executed managed care plan contracts for the certified rates

Criteria to qualify for accelerated review

- The state submits a timely request for the accelerated review process and timely submits the rate certification and required materials for review
- CMS' review of the prior rating period's capitation rate certification must be completed
- There has been a full review of the capitation rate certification for at least one of the two prior rating periods
- The managed care program covered by the rate certification has been in operation for at least 24 months
- The same actuary or actuarial firm is developing the rates since the previous full review
- No material issues have been identified (by any party) in rate setting for the prior rating period

- There are no material policy, programmatic or legal issues related to the state’s managed care program, in the prior rating period or for the rating period under review
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Rate Development Summary requirements

The Rate Development Summary is a new document required for accelerated rate review. This document is required to contain several elements, but CMS has given states the option to provide most elements via reference to the full rate certification deliverable to the extent these elements are already contained there. This option allows for a variety of formats for the Rate Development Summary.

The required elements for the Rate Development Summary are below:

- Rates
 - Changes in Rates (from last rating period or initial certification)
 - Base Data
 - Methodology
 - Trend
 - Non-benefit Costs
 - Program Changes
 - Financial Performance
 - Addressing Previous Issues
 - Other Rate and Policy Items
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If your state is interested in learning more about this accelerated rate review, Mercer Government and its actuaries are ready to help. Mercer can help establish a plan to meet the deadlines and documentation requirements in order to receive timely approval in accordance with this guidance.

Link to the CMS Rate Development Guide:

[CMS - 2020-2021 Medicaid Rate Guide](#)

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