

The 2009 Fiscal Soundness Reporting Requirements Filing Instructions for the Medicare Advantage Organizations

The Fiscal Soundness Reporting Requirements (FSRR) state that all renewing Medicare Advantage Organizations (MAOs) are to upload into the Health Plan Management System (HPMS) Fiscal Soundness Module, a PDF file of their 2008 independently audited financial statements. These statements are to be prepared using statutory accounting principles and are due to CMS on or before April 30, 2009. As a part of filing the annual statements, the MAO is to directly interface with the HPMS and enter the 13 data elements from the corresponding statements. The required 13 data elements below are used by CMS to electronically assess the MAO's fiscal soundness.

FINANCIAL DATA ELEMENTS
1. Net Worth
2. Total Assets
3. Cash & ST Investments
4. LT Liquid Investments (Bonds)
5. Total Liabilities
6. Total Claims
7. Total Revenue
8. Total Expenses
9. Total Medical and Hospital
10. Total Administrative Expenses
11. Net Income
12. Cash Flow from Operations
13. Total Member Months

All new MAOs in CY 2009 must provide the following financial information no later than April 30, 2009:

If the new MAO has six months or more of operations (i.e., Commercial, Medicaid) in the prior year, it must provide a PDF of its 12/31/2008 independently audited financial statements as well as the 13 financial data elements into the HPMS Fiscal Soundness Module.

If the new MAO has between four and six months of prior year operations, it must upload into HPMS a PDF of its National Association of Insurance Commissioners (NAIC) **Annual** Health Blank as well as the 13 financial data elements.

If the new MAO has less than four months of prior year operations, it must upload into HPMS a PDF of its most recent **Quarterly** NAIC Health Blank as well as the 13 financial data elements.

If the new MAO has no operations at all before 1/1/2009, it is required to upload into HPMS a PDF of its NAIC Quarterly Health Blank (the period ending

March 31, 2009). As a quarterly filing, this information would be due to CMS no later than May 15, 2009 (or 45 days after the end of the first quarter). Further, as a new MAO in 2009, it must submit the quarterly NAIC Health Blank through 2009. Each quarterly filing is due to CMS no later than 45 days after the quarter ends.

During the course of the review, the CMS financial analyst may request additional information to ensure the MAO is fiscally sound. For example, an MAO may be requested to provide a financial plan based on the financial condition of the organization at the time of the FSRR filing.

Additional guidance and definitions are available upon logging in to the HPMS Fiscal Soundness Module. Finally, frequently asked questions are available to you under the category "What you need to know" at:

http://www.cms.hhs.gov/HealthPlansGenInfo/50_FSRR.asp#TopOfPage

Authority to Collect Information:

The authority to collect the requested information was approved by The Executive Office of Management and Budget (OMB). The OMB (approval) number is **0938-0469**

Regulatory Authority

42 CFR 422.516(a)(5) Reporting Requirements

(a) *Required information.* Each MA organization must have an effective procedure to develop, compile, evaluate, and report to CMS, to its enrollees, and to the general public, at the times and in the manner that CMS requires, and while safeguarding the confidentiality of the doctor-patient relationship, statistics and other information with respect to the following: (5) Information demonstrating that the MA organization has a fiscally sound operation.