DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201

Date: May 1, 2017

Subject: UPDATED - Release of Risk Adjustment Holdback for the 2015 Benefit Year

Updated Release of Risk Adjustment Holdback for the 2015 Benefit Year

In light of appeals resolved, since publication of the March 7, 2017, *Reinsurance and Risk Adjustment Holdback Release for 2015 Benefit Year* guidance, CMS will release payment amounts held back for 2015 Benefit Year risk adjustment appeals in the following State Markets in the May 2017 payment cycle:

1. New Jersey Individual Market (including the Catastrophic Market).

We note that based on the current status of 2015 Benefit Year risk adjustment administrative appeals as of April 17, 2017, CMS will continue to **NOT** release payment amounts held back for 2015 Benefit Year risk adjustment appeals in the following State Markets:

1. Colorado – all Markets;
2. Hawaii Small Group Market; and
3. New York – all Markets.

We note that any risk adjustment payments made using Fiscal Year 2017 resources will be sequestered at a rate of 7.1 percent. These funds will not be available for payment until the beginning of Fiscal Year 2018, regardless of whether or not a risk adjustment appeal is pending in the State Market.

For more information please see the March 7, 2017, *UPDATED - Release of Risk Adjustment Holdback for the 2014 and 2015 Benefit Years* guidance available at: https://www.regtap.info/reg_librarye.php?i=2027, the February 3, 2017, *UPDATED - Release of Risk Adjustment Holdback for the 2014 and 2015 Benefit Years* guidance available at: https://www.regtap.info/reg_librarye.php?i=2030 and the November 21, 2016, *Reinsurance and Risk Adjustment Holdback Release for 2014 Benefit Year* guidance, available at: https://www.regtap.info/reg_librarye.php?i=1924 under the Risk Adjustment program of the REGTAP Library.

If you have any questions regarding this guidance, please email CMS at ACAfinancialappeals@cms.hhs.gov.