Centers for Medicare & Medicaid Services (CMS)

Benefit Year 2018 High Cost Risk Pool (HCRP) Reference Guide

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1 Introduction

The purpose of this document is to provide issuers with an overview of the HCRP calculations and associated External Data Gathering Environment (EDGE) reporting for the 2018 Benefit Year.

Beginning in BY 2018, the Permanent Risk Adjustment (RA) Program will include the HCRP program, which helps to stabilize premiums by partially reimbursing issuers, at a certain coinsurance rate, for enrollees with high claims costs above a certain threshold [attachment point (AP)], at a certain coinsurance rate. HCRP payments are funded by a national percent of premium charge on all issuers by market, and all payments and charges are in addition to any RA transfers. Like RA, HCRP applies to all issuers who offer Patient Protection and Affordable Care Act (PPACA) health insurance coverage in the small group and/or individual market (including catastrophic and merged), both on and off the Exchange. General regulations related to HCRP can be found in the 2018 Payment Notice (FR 81 94080-94082) which may be referenced at: https://www.gpo.gov/fdsys/pkg/FR-2016-12-22/pdf/2016-30433.pdf.

All example data used throughout this document is for illustrative purposes only, and do not reflect actual production values.

2 EDGE Reports for HCRP

Upon execution of the HCRP remote command, EDGE will produce two (2) eXtensible Markup Language (XML) reports summarizing HCRP payment calculations:

- **HCRP Summary report** (HCRPSR) contains calculation results at the issuer, market, and 16 digit plan ID levels. Both issuers and CMS receive this report.
- **HCRP Detail report** (HCRPDE) contains calculation results at the issuer, enrollee, market, 16 digit plan ID, and claim levels. Only issuers receive this report.

The HCRP command can also be run locally by the issuer, in which case, both reports go only to the issuer. The command can be run in both the TEST and PROD zones, although only reports generated in PROD will be sent to CMS. More information about these reports can be found in the EDGE RA ICD Addendum at https://www.regtap.info/reg_librarye.php?i=2626 and the EDGE 28.0 Maintenance Release webinar presentation slides at https://www.regtap.info/reg_librarye.php?i=2653.

3 Calculation Overview

The EDGE HCRP calculation consists of two (2) parts: (A) payments and (B) charges. Calculations are done separately for individual market (including catastrophic plans and all merged market plans) and small group market. As a result, unlike RA, an issuer can receive both a payment and a charge in each market. Note that aggregation of catastrophic and merged market data as individual market occurs outside of EDGE and, therefore, EDGE HCRP reports will not show merged market small group plans as individual.

Unless otherwise noted, this reference guide assumes that enrollment and claims data has successfully passed all file processing validations and have been accepted to the EDGE server. For more information on EDGE file ingest, please see the EDGE Server Business Rules (ESBR) posted in the DDC REGTAP Library (https://www.regtap.info/reg_library.php?libfilter_topic=3) and on the DDC Program Area page (https://www.regtap.info/ddc.php).

To calculate HCRP **payments** in a single market risk pool:

1. Select eligible claims

2. Select eligible enrollees and enrollment periods (EPs)
3. Link claims to enrollees
4. Calculate total paid claims amount for each enrollee, across all plans and markets for an enrollee
5. If applicable, calculate the Maximum Out-of-Pocket (MOOP) adjustment for enrollees in Cost-sharing Reduction (CSR) plans and deduct the adjustment from each enrollee's total paid claims amount
6. Apply national HCRP parameters to the total paid claims amount (MOOP-adjusted, if applicable) for each enrollee
   6.1. If enrollee is in more than one market, prorate enrollee's HCRP payment by issuer's total paid claims amount for enrollee in each market
7. Sum all enrollee-level HCRP payments in the market
8. Repeat Steps 1-7 for enrollees and claims in the other market risk pool, if applicable

To calculate HCRP **charges** in a single market risk pool:

1. Sum issuer's total premiums for all eligible enrollees within a market
2. Sum total premiums for all issuers in a market
3. Sum total HCRP payments for all issuers in a market
4. Calculate percent of premium charge for all issuers in a market by dividing the national marketwide HCRP payment by the national marketwide premium amount
5. Calculate each issuer's HCRP charge in a market by multiplying the national market percent of premium charge by the issuer's total premium amount in the market
6. Repeat Steps 1-6 for the other market risk pool, if applicable

4 Calculating HCRP payments

4.1 Select Eligible Claims

The first step in the HCRP calculation is to select eligible claims. Each claim, including cross-year claims, must fulfill *all* of the following criteria to be identified as eligible. To be selected, a claim must:

1. **Be active**. Inactive claims are not eligible to be considered for RA or HCRP. Active medical claims will have a null INACTIVATION_DT in the EDGE server MEDICAL_CLAIMS table; active pharmacy claims will have a null INACTIVATION_DATE in the PHARMACY_CLAIMS table.
2. Have a 16 digit Plan ID that **matches an active 16 digit plan ID with an active rating area** in the EDGE plan reference table, for the benefit year of the Statement Covers From Date (for medical claims) or Fill Date (for pharmacy claims)
3. Have a Statement Covers Through Date (for medical claims) or Fill Date (for pharmacy claims) that is **within the applicable benefit year** (i.e., on or after January 1 and on or before December 31)

4.1.1 CY Medical Claims

HCRP will select both professional and institutional CY medical claims as long as the claims meet the criteria above. Both the HCRPDE and HCRPSR reports include counts and costs of CY claims, with and without current benefit year enrollment, at various levels (<paidAmtCY>, <claimCountCY>, <paidClaimAmtCYNoEp>, and <claimCountCYNoEp>). Paid claim amounts on CY claims are included in calculations for HCRP payment as long as the claim is associated with enrollment in the current and/or previous benefit year (see section 5.4).

In the example below, 20 of 26 claims, or $61,046,300 of the $61,605,500 total paid claims amount, met all selection criteria. Claims C1301, C1302, C1371, D1301, and D1302 are CY claims that are selected as they have coverage end dates within the payment year (2018), even though the start dates are in 2017. Claims marked "N" in the last column of the table (C133, D132, and D133) have *not* been selected for HCRP consideration because they failed one (1) or more of the conditions above, as described in the first column.

Table 1: Selecting Eligible Claims for Benefit Year 2018

Claim Scenario	Claim ID	Enrollee ID	Plan ID	Mkt	Claim Type	Inactivation Date	Covers From (Med only)	Covers To (Med) or Fill Date (Rx)	Paid Claim Amount	Is claim active?	Plan & rating area active?	Within benefit year?	Selected ?
Selected claim	C124	JSMITH	11111VA0 04999902	Indv	Med		01/06/2018	01/06/2018	$2,000	Y	Y	Y	**Y**
Selected claim	C125	JSMITH	11111VA0 04999902	Indv	Rx		-	03/01/2018	$1,500	Y	Y	Y	**Y**
Claim end date after last day of benefit year	C126	JSMITH	11111VA0 04999902	Indv	Med		12/20/2018	01/05/2019	$4,000	Y	Y	N	**N**
Inactive claim	C127	JSMITH	11111VA0 04999902	Indv	Rx	11/15/2018	-	12/15/2018	$200	N	Y	Y	**N**
Selected claim for same enrollee above, different plan	C145	JSMITH	11111VA0 04999906	Indv	Med		05/01/2018	05/01/2018	$996,600	Y	Y	Y	**Y**
Selected claim	C128	RLOPEZ	11111VA0 04999902	Indv	Med		01/05/2018	01/05/2018	$5,000	Y	Y	Y	**Y**
Selected claim	C129	RLOPEZ	11111VA0 04999902	Indv	Rx		-	07/01/2018	$1,000	Y	Y	Y	**Y**
Selected claim	C130	RLOPEZ	11111VA0 04999902	Indv	Rx		-	10/01/2018	$200	Y	Y	Y	**Y**
Selected CY claim	C1301	RLOPEZ	11111VA0 04999902	Indv	Med		12/31/2017	01/01/2018	$500	Y	Y	Y	**Y**
Selected CY claim	C1302	JWU	11111VA0 04999902	Indv	Med		12/31/2017	01/02/2018	$1,000	Y	Y	Y	**Y**
Selected claim, family policy	C131	JWU	11111VA0 04999902	Indv	Rx		-	05/05/2018	$10,000	Y	Y	Y	**Y**
Selected claim, family policy	C132	MWU	11111VA0 04999902	Indv	Rx		-	06/05/2018	$4,000	Y	Y	Y	**Y**
Inactive claim, family policy	C133	EWU	11111VA0 04999902	Indv	Med	11/20/2018	07/01/2018	07/03/2018	$5,000	N	Y	Y	**N**
Selected claim	C134	PSHAH	11111VA0 04999902	Indv	Med		01/01/2018	01/31/2018	$1,500	Y	Y	Y	**Y**

Claim Scenario	Claim ID	Enrollee ID	Plan ID	Mkt	Claim Type	Inactivation Date	Covers From (Med only)	Covers To (Med) or Fill Date (Rx)	Paid Claim Amount	Is claim active?	Plan & rating area active?	Within benefit year?	Selected ?
Selected claim	C135	PSHAH	11111VA0 04999906	Indv	Med		02/01/2018	02/04/2018	$500	Y	Y	Y	**Y**
Selected claim	C136	SSHAH	11111VA0 04999902	Indv	Med		02/03/2018	02/04/2018	$1,000	Y	Y	Y	**Y**
Selected claim	C137	SSHAH	11111VA0 04999902	Indv	Med		01/14/2018	01/14/2018	$10,000	Y	Y	Y	**Y**
Selected CY claim	C1371	SHUNT	11111VA0 04999902	Indv	Med		12/05/2017	01/20/2018	$4,500	Y	Y	Y	**Y**
Selected claim	C138	DJACK	11111VA0 04999902	Indv	Med		02/01/2018	02/01/2018	$1,000	Y	Y	Y	**Y**
Selected claim for same enrollee below, different plan & market	D130	JULIE	11111VA0 06999901	SG	Rx		-	10/01/2018	$50,000,000	Y	Y	Y	**Y**
Selected CY claim	D1301	JULIE	11111VA0 05999904	Indv	Med		12/31/2017	01/01/2018	$5,000	Y	Y	Y	**Y**
Selected CY claim	D1302	SAMAR	11111VA0 06999901	SG	Med		12/31/2017	01/02/2018	$1,000	Y	Y	Y	**Y**
Selected claim	D131	SAMAR	11111VA0 06999901	SG	Rx		-	05/05/2018	$10,000,000	Y	Y	Y	**Y**
Claim with inactive plan	D132	SMRITI	11111VA0 06999900	SG	Rx		-	06/05/2018	$400,000	Y	N	Y	**N**
Claim end date not in current benefit year	D133	ABC	11111VA0 06999901	SG	Med		12/01/2017	12/31/2017	$150,000	Y	Y	N	**N**

4.2 Select Eligible Enrollees and Enrollment Periods

Once all claims eligible for the benefit year have been identified, eligible enrollee IDs and their associated enrollment periods for the benefit year are also identified, including those who may not have any eligible claims. Such enrollees are included in HCRP reporting, but do not contribute to HCRP payments since there are no associated claims costs.

For enrollment periods to be selected, enrollees must have:

1. An active **enrollment period**
2. **At least one (1) day of enrollment** in the current benefit year
3. An **active 16 digit plan ID** in the benefit year
4. An **active rating area** associated with the 16 digit plan ID in the benefit year

For enrollees to be selected, enrollees must have:

1. At least one (1) selected enrollment period based on criteria above

OR

2. At least one (1) selected claim based on criteria described in sections 5.1 and 5.1.1

After the HCRP remote command is executed, enrollees and enrollment periods that met all of the selection criteria above can be found in the EDGE HCRP staging tables HCRP_ENROLLEE and HCRP_SUBPOLICY.

4.2.1 System-Generated Enrollment Periods and Prior Year Enrollment

Unlike the EDGE RA calculation, HCRP does *not* create system-generated enrollment periods. The calculation does not require such periods in order to select CY claims with no associated enrollment in the current benefit year. Additionally, when calculating total premiums later in Section 6.1, only premiums from current year enrollment are used.

The example enrollment data below shows 27 distinct enrollment periods for 16 unique enrollees, of which 22 enrollment periods for 12 enrollees meet selection criteria. Note enrollment period 12 is not eligible for the 2018 Benefit Year because it has no days of enrollment within the current or previous benefit year. In addition, enrollment periods 4.5, 4.7, and 13 are entirely within 2017 but still meet enrollee selection criteria.

Table 2: Selecting Eligible Enrollment for Benefit Year 2018

Subscriber scenario	Enrollee ID	EP ID	Plan ID	Rating Area	Mkt	EP Start	EP End	EP Inactivation Date	Subscriber Indicator	Subscriber ID	Active EP?	>0 days curr/ prev BY?	Active plan ID?	Active rating area?	Selected ?
Full-year dual enrollment in individual policies with different plan IDs	JSMITH	1	11111VA004999902	001	Indv	01/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**
	JSMITH	2	11111VA004999906	001	Indv	01/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**
Noncontinuous partial year enrollments in current benefit year AND full-year enrollment in previous benefit year, all in same plan	RLOPEZ	3	11111VA004999902	001	Indv	01/01/2018	05/31/2018		Y	-	Y	Y	Y	Y	**Y**
	RLOPEZ	4	11111VA004999902	001	Indv	08/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**
	RLOPEZ	4.5	11111VA004999902	001	Indv	01/01/2017	12/31/2017		Y	-	Y	Y	Y	Y	**Y**
Full-year individual policy in previous year	JWU	4.7	11111VA004999902	003	Indv	01/01/2017	12/31/2017		Y	-	Y	Y	Y	Y	**Y**

Subscriber scenario	Enrollee ID	EP ID	Plan ID	Rating Area	Mkt	EP Start	EP End	EP Inactivation Date	Subscriber Indicator	Subscriber ID	Active EP?	>0 days curr/ prev BY?	Active plan ID?	Active rating area?	Selected ?
AND partial-year family policy in current year AND partial-month family policy in current year	JWU	5	11111VA00499 9902	003	Indv	01/01/2018	07/31/2018		Y	-	Y	Y	Y	Y	**Y**
	MWU	6	11111VA00499 9902	003	Indv	01/01/2018	07/31/2018		N	JWU	Y	Y	Y	Y	**Y**
	EWU	7	11111VA00499 9902	003	Indv	01/01/2018	07/31/2018		N	JWU	Y	Y	Y	Y	**Y**
	JWU	5	11111VA00499 9902	003	Indv	08/01/2018	08/15/2018		Y	-	Y	Y	Y	Y	**Y**
	MWU	6	11111VA00499 9902	003	Indv	08/01/2018	08/15/2018		N	JWU	Y	Y	Y	Y	**Y**
	EWU	7	11111VA00499 9902	003	Indv	08/01/2018	08/15/2018		N	JWU	Y	Y	Y	Y	**Y**
Full-year individual policy and partial-year family policy, with different plan IDs	PSHAH	8	11111VA00499 9906	001	Indv	01/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**
	PSHAH	9	11111VA00499 9902	001	Indv	02/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**
	SSHAH	10	11111VA00499 9902	001	Indv	02/01/2018	12/31/2018	10/31/2018	N	PSHAH	N	Y	Y	Y	**N**
Full-year enrollment in individual policy as subscriber, AND partial-year enrollment in family policy as dependent, same plan IDs	SSHAH	11	11111VA00499 9902	001	Indv	01/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**

Subscriber scenario	Enrollee ID	EP ID	Plan ID	Rating Area	Mkt	EP Start	EP End	EP Inactivation Date	Subscriber Indicator	Subscriber ID	Active EP?	>0 days curr/ prev BY?	Active plan ID?	Active rating area?	Selected ?
EP with ineligible coverage dates	PCLARK	12	11111VA00499 9902	001	Indv	01/01/2016	12/31/2016		Y	-	Y	N	Y	Y	**N**
Full-year enrollment in previous year with no current year enrollment	SHUNT	13	11111VA00499 9902	003	Indv	01/01/2017	12/31/2017		Y	-	Y	Y	Y	Y	**Y**
Individual policy, active plan, inactive rating area	DJACK	18	11111VA00699 9901	004	SG	01/01/2018	12/31/2018		Y	-	Y	Y	Y	N	**N**
Full-year individual policy in previous benefit year, partial-year in same policy in current benefit year, partial year EP in different market and rating area in current benefit year	JULIE	14	11111VA00599 9904	001	Indv	01/01/2018	05/31/2018		Y	-	Y	Y	Y	Y	**Y**
	JULIE	14.1	11111VA00699 9901	002	SG	08/01/2018	12/31/2018		Y	-	Y	Y	Y	Y	**Y**
	JULIE	14.2	11111VA00599 9904	001	Indv	01/01/2017	12/31/2017		Y	-	Y	Y	Y	Y	**Y**
Previous year enrollment in individual policy, current year enrollment in family policy	SAMAR	15	11111VA00699 9901	002	SG	01/01/2017	12/31/2017		Y	-	Y	Y	Y	Y	**Y**
	SAMAR	16	11111VA00699 9901	002	SG	01/01/2018	07/31/2018		Y	-	Y	Y	Y	Y	**Y**
	JAMAR	16.1	11111VA00699 9901	002	SG	01/01/2018	07/31/2018	11/1/2018	N	SAMAR	N	Y	Y	Y	**N**
Individual policy, inactive plan	SMRITI	17	11111VA00699 9901	002	SG	01/01/2018	07/31/2018		Y		Y	Y	N	Y	**N**

Subscriber scenario	Enrollee ID	EP ID	Plan ID	Rating Area	Mkt	EP Start	EP End	EP Inactivation Date	Subscriber Indicator	Subscriber ID	Active EP?	>0 days curr/ prev BY?	Active plan ID?	Active rating area?	Selected ?
Cross-year EP	ABC	18	11111VA006999901	2	SG	05/01/2017	04/30/2018		Y		Y	Y	Y	Y	**Y**

4.3 Link Claims to Enrollment

The enrollees identified in Section 5.2 are then matched to the claims identified in Section 5.1, using the specific criteria below. Each claim must satisfy all of the following requirements, otherwise EDGE will exclude the claim from the HCRP calculation.

1. The Enrollee ID and 16 digit Plan ID on the claim must match the Enrollee and Plan ID of an active enrollment record in the EDGE server enrollment table
2. The Enrollee ID on the claim must have at least one (1) active rating area for the 16 digit Plan ID on the claim
3. The Statement Covers From Date (for medical claims) or the Fill Date (for pharmacy claims) must be within the coverage dates of the enrollment period with the same Plan and Enrollee IDs as the claim (i.e., on or after the coverage start date, and on or before the coverage end date)

After an HCRP remote command is executed, claims that are successfully linked to enrollees for calculation of HCRP payment can be found in the EDGE HCRP staging table HCRP_CLAIMS. Claims that fail one (1) or more of the criteria above, or orphans, will appear in the EDGE Server Enrollment and Claims Summary Report (ECS). For more information on how claims and enrollees are linked and orphan troubleshooting, please see the previous *EDGE Server Baseline Data Calculations, Monitoring EDGE Data Submission and an Introduction to ECD/ECS Reports* webinar in the Registration for Technical Assistance Portal (REGTAP) Library under the Distributed Data Collection (DDC) program area.

The following enrollment and claim IDs match the three (3) criteria above.

Table 3: Linking Claims to Enrollment

ENROLLMENT							CLAIMS						
Enrollee ID	**EP ID**	**Plan ID on Enrollment Record**	**Rating Area**	**Mkt**	**EP Start**	**EP End**	**Claim ID**	**Enrollee ID on Claim**	**Plan ID on Claim**	**Claim Type**	**Covers From (Med only)**	**Covers To (Med) or Fill Date (Rx)**	**Paid Claim Amount**
JSMITH	1	11111VA004999902	001	Indv	01/01/2018	12/31/2018	C124	JSMITH	11111VA004999902	Med	01/06/2018	01/06/2018	$2,000
							C125	JSMITH	11111VA004999902	Rx	-	03/01/2018	$1,500
	2	11111VA004999906	001	Indv	01/01/2018	12/31/2018	C145	JSMITH	11111VA004999906	Med	05/01/2018	05/01/2018	$996,600
RLOPEZ	3	11111VA004999902	001	Indv	01/01/2018	05/31/2018	C128	RLOPEZ	11111VA004999902	Med	01/05/2018	01/05/2018	$5,000
	4	11111VA004999902	001	Indv	08/01/2018	12/31/2018	C130	RLOPEZ	11111VA004999902	Rx	-	10/01/2018	$200
	4.5	11111VA004999902	001	Indv	01/01/2017	12/31/2017	C1301	RLOPEZ	11111VA004999902	Med	12/31/2017	01/01/2018	$500

ENROLLMENT							CLAIMS						
Enrollee ID	EP ID	Plan ID on Enrollment Record	Rating Area	Mkt	EP Start	EP End	Claim ID	Enrollee ID on Claim	Plan ID on Claim	Claim Type	Covers From (Med only)	Covers To (Med) or Fill Date (Rx)	Paid Claim Amount
JWU	4.7	11111VA004999902	003	Indv	01/01/2017	12/31/2017	C1302	JWU	11111VA004999902	Med	12/31/2017	01/02/2018	$1,000
	5	11111VA004999902	003	Indv	01/01/2018	07/31/2018	C131	JWU	11111VA004999902	Rx	-	05/05/2018	$10,000
	5	11111VA004999902	003	Indv	08/01/2018	08/15/2018	*No claims match this enrollment period*						
MWU	6	11111VA004999902	003	Indv	01/01/2018	07/31/2018	C132	MWU	11111VA004999902	Rx	-	06/05/2018	$4,000
	6	11111VA004999902	003	Indv	08/01/2018	08/15/2018	*No claims match this enrollment period*						
EWU	7	11111VA004999902	003	Indv	01/01/2018	07/31/2018	*No claims match this enrollment period*						
	7	11111VA004999902	003	Indv	08/01/2018	08/15/2018	*No claims match this enrollment period*						
PSHAH	8	11111VA004999906	001	Indv	01/01/2018	12/31/2018	C135	PSHAH	11111VA004999906	Med	02/01/2018	02/04/2018	$500
	9	11111VA004999902	001	Indv	02/01/2018	12/31/2018	*No claims match this enrollment period*						
SSHAH	11	11111VA004999902	001	Indv	01/01/2018	12/31/2018	C136	SSHAH	11111VA004999902	Med	02/03/2018	02/04/2018	$1,000
							C137	SSHAH	11111VA004999902	Med	01/14/2018	01/14/2018	$10,000
SHUNTER	13	11111VA004999902	003	Indv	01/01/2017	12/31/2017	C1371	SHUNTER	11111VA004999902	Med	12/05/2017	01/20/2018	$4,500
JULIE	14	11111VA005999904	001	Indv	01/01/2018	05/31/2018	*No claims match this enrollment period*						
	14.1	11111VA006999901	002	SG	08/01/2018	12/31/2018	D130	JULIE	11111VA006999901	Rx	-	10/01/2018	$50,000,000
	14.2	11111VA005999904	001	Indv	01/01/2017	12/31/2017	D1301	JULIE	11111VA005999904	Med	12/31/2017	01/01/2018	$5,000
SAMAR	15	11111VA006999901	002	SG	01/01/2017	12/31/2017	D1302	SAMAR	11111VA006999901	Med	12/31/2017	01/02/2018	$1,000
	16	11111VA006999901	002	SG	01/01/2018	07/31/2018	D131	SAMAR	11111VA006999901	Rx	-	05/05/2018	$10,000,000
ABC	18	11111VA006999901	002	SG	05/01/2017	04/30/2018	*No claims match this enrollment period*						

Three (3) of the claims selected in Table 1 did *not* meet the criteria and therefore are considered orphan claims:

Table 4: Orphan Claims

Claim ID	Enrollee ID	Plan ID	Market	Claim Type	Covers From (Med only)	Covers To (Med) or Fill Date (Rx)	Paid Claim Amount	Orphan reason
C129	RLOPEZ	11111VA004999902	Individual	Pharmacy	-	07/01/2018	$1,000	None of enrollee's EPs cover Fill Date
C134	PSHAH	11111VA004999902	Individual	Medical	01/01/2018	01/31/2018	$1,500	None of enrollee's EPs cover From date
C138	DJACK	11111VA004999902	Individual	Medical	02/01/2018	02/01/2018	$1,000	No matching enrollee ID

4.4 Calculate Total Paid Claims Amount for Each Enrollee

Once linked, the paid claim amounts of each claim, including CY claims and claims in different plans or markets, are summed for each enrollee. The result is the total paid claims amount for each enrollee within the issuer, which can be found in the HCRPDE report data element <totMoopAdjIndSGPaidAmt>.

4.4.1 Non-Orphaned CY medical claims

Non-orphaned CY medical claims will be included in calculating total paid amounts, as long as the claims meet the criteria in Sections 5.1 and 5.3, and the associated enrollee has at least one (1) day of enrollment in either the current or previous benefit year.

Table 5: Calculating Total Paid Claims Amount for Each Enrollee

ENROLLMENT				CLAIMS			
Enrollee ID	**EP ID**	**Plan ID**	**Market**	**Claim ID**	**Claim Type**	**Paid Claim Amount**	**Enrollee Total Paid Claims Amount**
JSMITH	1	11111VA004999902	Indv	C124	Med	$2,000	
				C125	Rx	$1,500	**$1,000,100**
	2	11111VA004999906	Indv	C145	Med	$996,600	
RLOPEZ	3	11111VA004999902	Indv	C128	Med	$5,000	
	4	11111VA004999902	Indv	C130	Rx	$200	**$5,700**
	4.5	11111VA004999902	Indv	C1301	Med	$500	
JWU	4.7	11111VA004999902	Indv	C1302	Med	$1,000	
	5	11111VA004999902	Indv	C131	Rx	$10,000	**$11,000**
	5	11111VA004999902	Indv	-	-	-	
MWU	6	11111VA004999902	Indv	C132	Rx	$4,000	**$4,000**
	6	11111VA004999902	Indv	-	-	-	
EWU	7	11111VA004999902	Indv	-	-	-	**$0**
	7	11111VA004999902	Indv	-	-	-	
PSHAH	8	11111VA004999906	Indv	C135	Med	$500	**$500**
	9	11111VA004999902	Indv				

ENROLLMENT				CLAIMS			
Enrollee ID	**EP ID**	**Plan ID**	**Market**	**Claim ID**	**Claim Type**	**Paid Claim Amount**	**Enrollee Total Paid Claims Amount**
SSHAH	11	11111VA004999902	Indv	C136	Med	$1,000	**$11,000**
				C137	Med	$10,000	
SHUNTER	13	11111VA004999902	Indv	C1371	Med	$4,500	**$4,500**
JULIE	14	11111VA005999904	Indv	-	-	-	**$50,005,000**
	14.1	11111VA006999901	SG	D130	Rx	$50,000,000	
	14.2	11111VA005999904	Indv	D1301	Med	$5,000	
SAMAR	15	11111VA006999901	SG	D1302	Med	$1,000	**$10,001,000**
	16	11111VA006999901	SG	D131	Rx	$10,000,000	
ABC	18	11111VA006999901	SG	-	-	-	**$0**

4.5 Calculate the CSR MOOP Adjustment, if Applicable

CMS makes payments to issuers with enrollees in CSR plans to reduce issuers' claims liability. To reflect this reduction in claims costs for the issuer, the HCRP calculation deducts an adjustment for CSR enrollees. However, **because CSR payments were discontinued in Benefit Year 2017, the HCRP calculation in Benefit Year 2018 will *not* include a CSR MOOP adjustment.** Rather, EDGE software will be configured with an internal "on/off" flag that will control whether the adjustment will be performed. The flag is set to "off" for Benefit Year 2018.

EDGE HCRP reporting has data elements related to CSR MOOP adjustment for possible future use. When the adjustment flag is "off", no MOOP adjustment is performed. As a result, in the <includedMarketType> category of the HCRPSR and HCRPDE reports, <totPaidAmt> should equal <mOOPAdjTotPaidAmt>, and <indMOOPAdj> should be zero (0.00). Also note that the CSR MOOP adjustment applies only to individual market plans.

4.6 Apply National HCRP Parameters

For the 2018 Benefit Year, the national HCRP parameters consist of a $1,000,000 AP and a 60% coinsurance rate, applied as follows:

1. **Subtract the current AP from each enrollee's total paid claims amount** (CSR MOOP-adjusted, if applicable). EDGE defaults this amount to zero (0) if the difference is zero (0) or less, since such enrollees will not qualify for HCRP payment. The total paid amount that exceeds the AP for an enrollee, with further breakouts by an enrollee's market and plan, can be found in the <paidAmtAboveAP> data element in the HCRPDE report.
2. **Multiply the total paid claims amount above the AP for each enrollee by the national HCRP coinsurance rate** to calculate the HCRP payment for that enrollee (or <hcrpPayment> at the enrollee-level of the HCRPDE report).

There is no cap for the 2018 Benefit Year, but EDGE software and reporting retains cap functionality for possible future use. The data element <cap> in the HCRPSR should have a value of zero (0).

4.6.1 Enrollees in More Than one (1) Plan and/or Market in a Benefit Year

For enrollees in more than one plan or market in a benefit year, the enrollee-level HCRP payment and the issuer paid claims amount above AP is distributed across all plans by the proportion of their total paid claims amount in each plan. As a result, for HCRP payment enrollees in more than one (1) market, a portion of

their HCRP payment will be allocated to payment calculations in the other market. For enrollees in more than one (1) plan in the *same* market, there is no impact to total HCRP payment, but the plan level of <hcrpPayment> and <paidAmtAboveAP> in both HCRP reports will display the distributed amount.

In Table 6, enrollee JULIE has claims in both the individual and small group markets. After the national parameters are applied, JULIE's total HCRP payment is allocated to each market by the percent of the enrollee's total paid claims amount in each market. As shown in Table 5, this enrollee has most of their claim costs in a small group plan, but still has a small portion in an individual market plan.

Table 6: Applying National HCRP Parameters

Enrollee ID	Enrollee Total Paid Amount	Enrollee Total Paid claims amount Minus Attachment Point	Enrollee Total HCRP Payment w/Coinsurance	% Total Paid claims amount in Individual Market	% Total Paid claims amount in Small Group	HCRP Payment, Individual Market	HCRP Payment, Small Group Market
JSMITH	$1,000,100	$100	$60	100.00%	0.00%	$60	$0
RLOPEZ	$5,700	$0	$0	100.00%	0.00%	$0	$0
JWU	$11,000	$0	$0	100.00%	0.00%	$0	$0
MWU	$4,000	$0	$0	100.00%	0.00%	$0	$0
EWU	$0	$0	$0	100.00%	0.00%	$0	$0
PSHAH	$500	$0	$0	100.00%	0.00%	$0	$0
SSHAH	$11,000	$0	$0	100.00%	0.00%	$0	$0
SHUNTER	$4,500	$0	$0	100.00%	0.00%	$0	$0
JULIE	$50,005,000	$49,005,000	$29,403,000	0.01%	99.99%	$2,940	$29,400,060
SAMAR	$10,001,000	$9,001,000	$5,400,600	0.00%	100.00%	$0	$5,400,600
ABC	$0	$0	$0	0.00%	100.00%	$0	$0

4.7 Sum all Enrollee-Level HCRP Payments by Market

The total HCRP payment for an issuer in a market is the sum of all enrollee-level HCRP payment in that market. The HCRPSR report contains the total HCRP payment at the issuer, market, and plan levels (data element <hcrpPayment>), whereas the HCRPDE report contains detail at the market, plan, claim, and enrollment period levels for each enrollee.

Table 7 shows selected summary statistics at the issuer and market levels of the HCRPSR report, based on the example data.

Table 7: Calculating Issuer- and Market-Level Total HCRP Payments

Issuer ID	Total Enrollees	Total Claim Count	Count of Enrollees with HCRP Payments	Claim Count for HCRP Enrollees	Total HCRP Payment	HCRP Payment, Individual Market	HCRP Payment, Small Group Market
11111	11	20	3	10	$34,803,660	$3,000	$34,800,660

5 Calculating HCRP Charges

5.1 Sum the Issuer's Total Premiums for all Eligible Enrollees in a Market

Sum total premiums paid by all enrollees/enrollment periods selected in Section 5.2, to arrive at a single issuer-level figure for each market.

The table below displays total premiums by enrollment period, though EDGE HCRP reports aggregate premiums at a number of different levels. Plan-level premium amounts are calculated by aggregating premiums from all subscriber periods belonging to a plan. The data element <totPremium> at the enrollee level of the HCRPDE contains an enrollee's total premiums across all of their plans, while <totPremium> in the issuer level of the HCRPSR contains the issuer's total premium, across all plans and enrollees. Aggregating premiums at different levels does not affect the charge calculation, and is done primarily for issuer reporting purposes. Premiums used for the HCRP calculation can be found in the EDGE data table HCRP_PREMIUM.

The following are *not* included in calculation of total premiums:

1. Enrollees and enrollment periods that did not pass selection criteria in Section 5.2
2. **System-generated**, or "ghost", **enrollment periods** created by the EDGE RA command, for enrollees with valid CY claims but no enrollment in the current benefit year
    a. Issuers should check to ensure premiums from system-generated RA enrollment periods are NOT included in the issuer-level total premiums, as mistakes will impact the charge calculation for other issuers in the market.
3. Any premiums associated with enrollment *not* in the current benefit year

For example, in Table 8, enrollee RLOPEZ has EPs in both the current and previous benefit years, but only premiums associated with the current benefit year are used. (In contrast, the CY medical claim associated with RLOPEZ's prior year EP is included in calculating their total paid claims amount – see claim ID C1301 in Table 5). For EPs that cross benefit years, only the premium associated with the portion in the current benefit year is used, as illustrated with enrollee ABC.

Table 8: Calculating Total Premiums for an Issuer

Enrollee ID	EP ID	Plan ID	Mkt	EP Start	EP End	Subscriber Indicator	Subscriber ID	Subscriber months in payment year	Per Month Premium	EP used in premium calculation?	Total Premium, Indv Market	Total Premium, SG Market
JSMITH	1	11111VA004999902	Indv	01/01/2018	12/31/2018	Y	-	12.17	$1,100	**Y**	**$13,387**	**$0**
JSMITH	2	11111VA004999906	Indv	01/01/2018	12/31/2018	Y	-	12.17	$1,000	**Y**	**$12,170**	**$0**
RLOPEZ	3	11111VA004999902	Indv	01/01/2018	05/31/2018	Y	-	5.03	$500	**Y**	**$2,515**	**$0**
RLOPEZ	4	11111VA004999902	Indv	08/01/2018	12/31/2018	Y	-	5.10	$700	**Y**	**$3,570**	**$0**
RLOPEZ	4.5	11111VA004999902	Indv	01/01/2017	12/31/2017	Y	-	-	$500	**N**	**-**	**-**
JWU	4.7	11111VA004999902	Indv	01/01/2017	12/31/2017	Y	-	-	$1,300	**N**	**-**	**-**
JWU	5	11111VA004999902	Indv	01/01/2018	07/31/2018	Y	-	7.07	$2,300	**Y**	**$16,261**	**$0**
JWU	5	11111VA004999902	Indv	08/01/2018	08/15/2018	Y	-	0.50	$500	**Y**	**$250**	**$0**
MWU	6	11111VA004999902	Indv	01/01/2018	07/31/2018	N	JWU	7.07	$0	**Y**	**$0**	**$0**
MWU	6	11111VA004999902	Indv	08/01/2018	08/15/2018	N	JWU	0.50	$0	**Y**	**$0**	**$0**
EWU	7	11111VA004999902	Indv	01/01/2018	07/31/2018	N	JWU	7.07	$0	**Y**	**$0**	**$0**
EWU	7	11111VA004999902	Indv	08/01/2018	08/15/2018	N	JWU	0.50	$0	**Y**	**$0**	**$0**

Enrollee ID	EP ID	Plan ID	Mkt	EP Start	EP End	Subscriber Indicator	Subscriber ID	Subscriber months in payment year	Per Month Premium	EP used in premium calculation?	Total Premium, Indv Market	Total Premium, SG Market
PSHAH	8	11111VA004999906	Indv	01/01/2018	12/31/2018	Y	-	12.17	$4,500	**Y**	**$54,765**	**$0**
PSHAH	9	11111VA004999902	Indv	02/01/2018	12/31/2018	Y	-	11.13	$5,600	**Y**	**$62,328**	**$0**
SSHAH	11	11111VA004999902	Indv	01/01/2018	12/31/2018	Y	-	12.17	$2,200	**Y**	**$26,774**	**$0**
SHUNTER	13	11111VA004999902	Indv	01/01/2017	12/31/2017	Y	-	-	$400	**N**	**-**	**-**
JULIE	14	11111VA005999904	Indv	01/01/2018	05/31/2018	Y	-	5.03	$600	**Y**	**$3,018**	**$0**
JULIE	14.1	11111VA006999901	SG	08/01/2018	12/31/2018	Y	-	5.10	$7,000	**Y**	**$0**	**$35,700**
JULIE	14.2	11111VA005999904	Indv	01/01/2017	12/31/2017	Y	-	-	$400	**N**	**-**	**-**
SAMAR	15	11111VA006999901	SG	01/01/2017	12/31/2017	Y	-	-	$200	**N**	**-**	**-**
SAMAR	16	11111VA006999901	SG	01/01/2018	07/31/2018	Y	-	7.07	$20,000	**Y**	**$0**	**$141,400**
ABC	18	11111VA006999901	SG	05/01/2017	04/30/2018	Y	-	3.97	$1,050	**Y** (partial)	**$0**	**$4,165**
										Total Premiums for Issuer 11111, by market	**$195,038**	**$181,265**

5.2 Sum Total Premiums for all Issuers, by Market

The remainder of the HCRP calculation does not occur on issuers' EDGE servers. Once the above steps are completed and after the final EDGE data submission deadline, each server sends total HCRP payments and total premiums in each market to CMS, which performs the HCRP charge calculation.

The CMS system will treat plans in merged markets as individual, regardless of market designation in EDGE plan reference data. The table below demonstrates this step using the previous example data and additional example issuers. Note the aggregation of small group premiums into the individual market for issuer 22222, which is located in a merged market state.

Table 9: Calculating Total Premiums for a Market Risk Pool

Issuer ID	State	EDGE Premium, Individual Market	EDGE Premium, Small Group Market	Merged Market State?	Total Premium for HCRP Charge Calculation, Individual Market	Total Premium for HCRP Charge Calculation, Small Group Market
11111	VA	$195,038	$181,265	N	$195,038	$181,265
12345	CO	$9,400,000	$7,200,000	N	$9,400,000	$7,200,000
22222	MA	$1,000,000	$10,000,000	Y	$11,000,000	$0
33333	ND	$5,000,000	$350,000,000	N	$5,000,000	$350,000,000
99999	CA	$0	$200,000,000	N	$0	$200,000,000
00000	AL	$15,000,000	$175,000,000	N	$15,000,000	$175,000,000
Total		**$30,595,038**	**$742,381,265**		**$40,595,038**	**$732,381,265**

5.3 Sum Total HCRP Payments for all Issuers, by Market

Issuers can find the values that will be used in the HCRP charge calculation in the <totPremium> and <hcrpPayment> data elements in each <includedMarketType> category of the HCRPSR report. Table 10 shows example payment values by market in addition to results from the EDGE HCRP calculation for issuer 11111. As with the previous step, all plans in merged market states are treated as individual market.

Table 10: Calculating Total HCRP Payments for a Market Risk Pool

Issuer ID	State	EDGE HCRP Payment, Individual Market	EDGE HCRP Payment, Small Group Market	Total HCRP Payment for HCRP Charge Calculation, Individual Market	Total HCRP Payment for HCRP Charge Calculation, Small Group Market
11111	VA	$3,000	$34,800,660	$3,000	$34,800,660
12345	CO	$15,000	$30,000	$15,000	$30,000
22222	MA	$0	$1,000	$1,000	$0
33333	ND	$100,000	$0	$100,000	$0
99999	CA	$60,000	$0	$60,000	$0
00000	AL	1,000,000	$150	$1,000,000	$150
Total		**$1,178,000**	**$34,831,810**	**$1,179,000**	**$34,830,810**

5.4 Divide Marketwide HCRP Payment by Marketwide Total Premiums

The result is the percent of premium charge that every issuer must pay in order to fund HCRP payments. All issuers in a market pay the same percentage of their total premiums.

Table 11: Calculating Percent of Premium Charge in Each Market Risk Pool

	Individual	Small Group
Total HCRP Payment for HCRP Charge Calculation (Table 10)	$1,179,000	$34,830,810
Total Premium for HCRP Charge Calculation (Table 9)	$40,595,038	$732,381,265
Percent of Premium Charge for All Issuers in Market Risk Pool	**2.90%**	**4.76%**

5.5 Calculate Each Issuer's HCRP Charge by Market

Multiply the national market percent charge by the issuer's total premium in each market to get the actual charge amount for the issuer for the benefit year. Note that the sum of all charges in a market is the same as the sum of all payments.

Table 12: Calculating Amount of HCRP Charge for Each Issuer and Market Risk Pool

Issuer ID	State	Total Premium for HCRP Charge Calculation, Individual Market	Total Premium for HCRP Charge Calculation, Small Group Market	HCRP Charge Calculation, Individual Market	HCRP Charge Calculation, Small Group Market	HCRP Charge, Individual Market	HCRP Charge, Small Group Market
11111	VA	$195,038	$177,100	= $195,038 x 2.90%	= $177,100 x 4.76%	$5,664	$8,621
12345	CO	$9,400,000	$7,200,000	= $9,400,000 x 2.90%	= $7,200,000 x 4.76%	$273,004	$342,420
22222	MA	$11,000,000	$0	= $11,000,000 x 2.90%	= $0 x 4.76%	$319,473	$0
33333	ND	$5,000,000	$350,000,000	= $5,000,000 x 2.90%	= $350,000,000 x 4.76%	$145,215	$16,645,406
99999	CA	$0	$200,000,000	= $0 x 2.90%	= $200,000,000 x 4.76%	$0	$9,511,661
00000	AL	$15,000,000	$175,000,000	= $15,000,000 x 2.90%	= $175,000,000 x 4.76%	$435,644	$8,322,703
Total		**$40,595,038**	**$732,377,100**			**$1,179,000**	**$34,830,810**

6 Summary of Example Results

The table below summarizes results of the HCRP calculation for example issuer ID 11111.

Table 13: Summary of HCRP Results for Issuer 11111

	HCRPSR XML data element	Individual Market (<marketType>=1)	Small Group Market (<marketType>=2)
Issuer ID	<issuerIdentifier>	11111	
Total Paid Claims Amount	<totPaidAmt>	$1,030,300	$60,001,000
Number of enrollees	<totEnrCnt>	9	3
Number of HCRP payment enrollees	<hcrpEnrCnt>	2	2
Total HCRP Payment	<hcrpPayment>	$3,000	$34,800,660
HCRP percent of premium charge	Not in EDGE reports	2.90%	4.76%
Total HCRP Charge	Not in EDGE reports	$5,664	$8,423