



**Date:** February 3, 2017

**Subject:** UPDATED - Release of Risk Adjustment Holdback for the 2014 and 2015 Benefit Years

### **Updated Release of Risk Adjustment Holdback for the 2015 Benefit Year**

In light of appeals resolved, since publication of the November 21, 2016, *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 February 2017 payment cycle:

1. Arizona individual market; and
2. New Mexico – all markets.

We note that based on the current status of 2015 Benefit Year risk adjustment administrative appeals as of January 10, 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;
3. Illinois – all markets;
4. New Jersey individual market (including the catastrophic market); and
5. 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 November 21, 2016, *Reinsurance and Risk Adjustment Holdback Release for 2015 Benefit Year* guidance, available at [https://www.regtap.info/reg\\_librarye.php?i=1924](https://www.regtap.info/reg_librarye.php?i=1924) under the Risk Adjustment program of the REGTAP Library.



### **Updated Release of Risk Adjustment Holdback for the 2014 Benefit Year**

In light of appeals resolved, since publication of the November 21, 2016, *Reinsurance and Risk Adjustment Holdback Release for 2015 Benefit Year* guidance, CMS will release payment amounts held back for 2014 Benefit Year risk adjustment appeals and Fiscal Years 2015 or 2016 sequestration in the following State Markets in the February 2017 payment cycle:

1. Wisconsin individual market (including the catastrophic market).

Based on the current status of 2014 Benefit Year risk adjustment administrative appeals as of November 15, 2016, CMS will **NOT** release payment amounts held back for 2014 Benefit Year risk adjustment appeals and Fiscal Years 2015 or 2016 sequestration in the following State Market:

1. Florida individual market (including the catastrophic market).

For more information please see 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](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](mailto:ACAfinancialappeals@cms.hhs.gov).