

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: February 16, 2018

Subject: Update on the Release of Risk Adjustment Holdbacks for the 2015 and 2016 Benefit Years

Release of the Risk Adjustment Holdbacks for the 2015 and 2016 Benefit Years

The Center for Medicare and Medicaid Services (CMS) will release the 7.1 percent holdback for risk adjustment from the 2016 Benefit Year (BY) risk adjustment payments in the monthly payment cycle following the end of Fiscal Year (FY) 2016 if no administrative appeals are pending or in the monthly payment cycle following the final resolution of all 2016 BY risk adjustment appeals in the State Market. Similarly, CMS will release the 7.0 percent holdback from the 2015 BY risk adjustment payments in the monthly payment cycle following the final resolution of all 2015 BY risk adjustment appeals in the State Market. The applicable administrative appeals process and timeline are set forth in 45 CFR § 156.1220.

Based on the current status of the 2016 BY risk adjustment administrative appeals, as of February 16, 2018, CMS will continue to **NOT** release payment amounts held back for the 2016 BY risk adjustment appeals in the Ohio Small Group Market. CMS will release payment amounts held back for the 2016 BY risk adjustment appeals in the Rhode Island Individual Market in the March 2018 payment cycle. In all other State Markets, CMS has released the 2016 BY risk adjustment holdback.

Based on the current status of the 2015 BY risk adjustment administrative appeals, as of February 16, 2018, CMS will continue to **NOT** release payment amounts held back for the 2015 BY risk adjustment appeals in the following State markets:

1. Colorado – all Markets;
2. New York – all Markets.

CMS will release the holdback for the Hawaii Small Group Market for 2015 in the March 2018 payment cycle. In all other State markets, CMS has released the 2015 BY risk adjustment holdback.

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