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UnitedHealthcare (UHC) appreciates the opportunity to provide input to the Centers for Medicare and Medicaid Services (CMS) regarding the BPT for MA Plans and PDPs.

Related Party Proposed Changes CY2022

UnitedHealthcare asks CMS to reconsider its proposed requirement that plans submit more detailed related party data for each related party. The Office of the Actuary (OACT) indicated in the November 12, 2020, actuarial user group call that the goal of the additional related party reporting requirements is to standardize the collection of information and to better understand the extent to which plan sponsors rely upon related parties to provide services reported in the allowed costs and non-benefit expenses of bid filings. However, collecting information by each related party is unnecessarily burdensome for plans and does not support OACT's stated goal to better understand plans' reliance on related parties within the bid filing context. Requiring information at this granular level will greatly increase the administrative burden for plans without providing additional clarity to CMS. Instead, CMS could meet its goal of understanding the extent to which the plan sponsor relies on related parties to provide services by collecting this information at the plan level rather than the related party level. For example, a plan might have multiple medical agreements with different related parties in a market, but projecting the required data for each agreement separately may be difficult. In addition, splitting the data by related party does not add value to the process and will not further CMS's goal of understanding the total spend associated with related parties. The current bid requirements already provide a fairly detailed review of related party arrangements during desk review and bid audit. To further CMS's goals of standardizing information collection and better understanding the total related parties spend, we recommend that CMS collect the data in the BPT in worksheets (lines z4 and z5) without requiring the additional detail in the supporting documentation by related party (Appendix B, 13.1.5).

UHC also recommends CMS amend the requirement so that the amounts in lines z4 and z5 reflect the related party expenses as filed in the bid (i.e., using Method 1-4, as appropriate). This would reduce the amount of work involved in this requirement while still providing CMS with a reasonable estimate of the related party dollars in the bid. For example, if a related party arrangement is reported in the bid at actual cost using Method 1, plans should include those actual costs in lines z4 and z5. The difference between the contractual costs and the actual costs are irrelevant to the plan's bids. Moreover, providing the contractual information (that does not affect the bids) at the plan level can be burdensome.

We request that CMS explain further what an entity within the same taxpayer identification number (TIN) as the plan sponsor is meant to capture. Under the current instructions, agreements within a TIN are not considered related party arrangements, which we believe means they should not be reflected in the bid. Instead, the intra-TIN arrangement would be ignored for bid purposes and the expenses would be included in the bid as a pass through. If the arrangement within the TIN is not reflected in the bids, collecting and disclosing such information provides no value, but imposes significant burden, especially if the information must be