



OFFICE OF THE ACTUARY

To: Medicare Advantage & Prescription Drug Plan Sponsors and Certifying Actuaries

From: Jennifer Lazio, Director, Parts C & D Actuarial Group

Date: May 22, 2015

Subject: Medicare Advantage (MA) Fee-For-Service Rate Book Calculations CY 2016

We are releasing a Microsoft Excel workbook which provides details of each county's 2016 FFS cost. The Excel workbook along with a companion glossary of terms and formulas are posted on the CMS web site as follows:

<http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/ffs2013.zip>

We rebased the FFS capitation rates for 2016 using historical claims data for 2009 through 2013. For 2016 we repriced the historical claims data to reflect the most current wage and cost indices, repriced the claims to account for the changes made by the ACA to payments to disproportionate share hospitals, and also repriced durable medical equipment claims to account for the change in prices associated with the competitive bid program. The data in the worksheet titled 'payment_data' in the Excel workbook include five years (2009-2013) of each county's historical claims data along with specific claims adjustments made by type of service. These county claims data can be matched to the county specific 2009-2013 annual claims data in the worksheet titled 'ffs_worksheet.' It is this adjusted claims data which is subsequently used to calculate the AGA's as derived in the worksheets 'County Overview.'

For questions on this memo or the Excel workbooks, please contact Clifton Maze at either 410-786-7905 or Clifton.Maze@cms.hhs.gov.