



March 11, 2020

NY State’s Comments on the Basic Health Program; Federal Funding Methodology (“Proposed Methodology”) for Program Year 2021

These comments are submitted without waiver of or prejudice to any of New York’s rights or claims to litigation.

The following comments apply to new proposals in the Proposed Methodology. Please refer to New York’s prior submissions for comments on the BHP Federal Funding Methodology that is currently in effect.

Premium Adjustment Factor (PAF)

CMS proposes to apply the same PAF in 2021 as is currently in place for 2020. In addition, CMS requests comment on several alternative proposals, including whether other data should be used to compute the PAF, or if it should be retroactively computed and applied when enrollment is reconciled.

NY State Comments

NY State opposes retroactive computations of the PAF because it introduces uncertainty to the funding stream for the program, which makes it difficult to set prospective per member per month payment rates and manage cash flow for the program.

Metal Tier Selection Factor (MTSF)

CMS proposes to apply the same MTSF in 2021 that it did in 2020. CMS requests comment on whether the MTSF should be retroactively computed and applied when enrollment is reconciled.

NY State Comments

NY State opposes retroactive computation of the MTSF because it introduces uncertainty to the funding stream for the program, which makes it difficult to set prospective per member per month payment rates and manage cash flow for the program.

Income Reconciliation Factor (IRF)

CMS proposes to compute the IRF using data from the 138-200% of FPL population.

NY State Comments

NY State supports the update to the IRF computation as it more appropriately applies to the relevant population in NY.