NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

DATE: 12/18/2020

CONTACT PERSON: ________________________________

TELEPHONE: ________________________________

EMAIL ADDRESS: ________________________________

ON BEHALF OF:

NAME: Health Risk-Based Capital (E) Working Group

TITLE: Steve Drutz, Chair

AFFILIATION: ________________________________

ADDRESS: ________________________________

FOR NAIC USE ONLY

Agenda Item # 2021-01BWG MOD

Year 2021

Changes to Existing Reporting [ X ]

New Reporting Requirement [ ]

REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT

No Impact [ X ]

Modifies Required Disclosure [ ]

DISPOSITION

[ ] Rejected For Public Comment

[ ] Referred To Another NAIC Group

[ ] Received For Public Comment

[ X ] Adopted Date 05/26/2021

[ ] Rejected Date

[ ] Deferred Date

[ ] Other (Specify) ________________

BLANK(S) TO WHICH PROPOSAL APPLIES

[ ] ANNUAL STATEMENT

[ X ] QUARTERLY STATEMENT

[ ] INSTRUCTIONS

[ X ] CROSSCHECKS

[ X ] BLANK

[ X ] Separate Accounts

[ X ] Title

[ ] Protected Cell

[ ] Other ________________

[ ] Health (Life Supplement)

Anticipated Effective Date: Annual 2021

IDENTIFICATION OF ITEM(S) TO CHANGE

Add reference to health care receivables to Line 24 – Health Care and Other Amounts Receivable on the Asset Page, change description of Line 0699999 to read Other Health Care Receivables on Exhibit 3 and modify column headers for Exhibit 3A.

REASON, JUSTIFICATION FOR AND/OR BENEFIT OF CHANGE**

The purpose of the proposal is to add clarifying language to Exhibit 3, Exhibit 3A and Assets page for health care receivables.

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: ________________________________

Other Comments:

Updates to the Health Care Receivable Guidance would be needed to the headers of Exhibit 3A if the proposal is adopted.

** This section must be completed on all forms.
ANNUAL STATEMENT INSTRUCTIONS – HEALTH AND LIFE\FRATERNAL (HEALTH CARE RECEIVABLES SUPPLEMENT)

EXHIBIT 3 – HEALTH CARE RECEIVABLES

Individually list the greater of any account balances greater than $10,000 or those that are 10% of gross health care receivables. Use Lines 0100001 through 0699996, as needed. Report gross amounts for insured plans although these amounts may be offset against corresponding liabilities on the balance sheet. Report the aggregate of amounts not individually listed on Lines 0199998 through 0699998. The subtotal and grand total amounts should be reported on the following lines:

<table>
<thead>
<tr>
<th>Category</th>
<th>Line Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical Rebate Receivables</td>
<td>0199999</td>
</tr>
<tr>
<td>Claim Overpayment Receivables</td>
<td>0299999</td>
</tr>
<tr>
<td>Loans and Advances to Providers</td>
<td>0399999</td>
</tr>
<tr>
<td>Capitation Arrangement Receivables</td>
<td>0499999</td>
</tr>
<tr>
<td>Risk sharing Receivables</td>
<td>0599999</td>
</tr>
<tr>
<td>Other Health Care Receivables</td>
<td>0699999</td>
</tr>
<tr>
<td>Gross Health Care Receivables</td>
<td>0799999</td>
</tr>
</tbody>
</table>

Column 7 – Admitted

Total line should equal the inset amount on Line 24 of the Asset Page.
ANNUAL & QUARTERLY STATEMENT INSTRUCTIONS – LIFE\FRATERNAL, HEALTH, PROPERTY AND TITLE

ASSETS

Detail Eliminated to Conserve Space

Line 24 – Health Care and Other Amounts Receivable

Include:

- Bills Receivable – Report any unsecured amounts due from outside sources or receivables secured by assets that do not qualify as investments.
- Amounts due resulting from advances to agents or brokers – Refer to SSAP No. 6—Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers for accounting guidance.
- Health Care Receivables – Include pharmaceutical rebate receivables, claim overpayment receivables, loans and advances to providers, capitation arrangement receivables, and risk sharing receivables and other health care receivables from affiliated and non-affiliated entities. Refer to SSAP No. 84—Health Care and Government Insured Plan Receivables for accounting guidance.
- Other amounts receivable that originate from the government under government insured plans, including undisputed amounts over 90 days due that qualify as accident and health contracts are admitted assets. Refer to SSAP No. 84—Health Care and Government Insured Plans Receivables and SSAP No. 50—Classifications of Insurance or Managed Care Contracts for accounting guidance.

Exclude:

- Pharmaceutical rebates relating to uninsured plans that represent an administrative fee and that are retained by the reporting entity and earned in excess of the amounts to be remitted to the uninsured plan. These amounts should be reported on Line 17.
- Premiums receivable for government insured plans reported on Lines 15.1, 15.2 or 15.3.

Detail Eliminated to Conserve Space
## Exhibit 3A – Analysis of Health Care Receivables Collected and Accrued

<table>
<thead>
<tr>
<th>Type of Health Care Receivable</th>
<th>Health Care Receivables Collected or Offset During the Year</th>
<th>Health Care Receivables Accrued as of December 31 of Current Year</th>
<th>Health Care Receivables in from Prior Years (Cols. 1 + 3)</th>
<th>Estimated Health Care Receivables Accrued as of December 31 of Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>On Amounts Accrued Prior to January 1 of Current Year</td>
<td>On Amounts Accrued During the Year</td>
<td>On Amounts Accrued December 31 of Prior Year</td>
<td>On Amounts Accrued During the Year</td>
</tr>
<tr>
<td>1. Pharmaceutical rebate receivables</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
<tr>
<td>2. Claim overpayment receivables</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
<tr>
<td>3. Loans and advances to providers</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
<tr>
<td>4. Capitation arrangement receivables</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
<tr>
<td>5. Risk sharing receivables</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
<tr>
<td>6. Other health care receivables</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
<tr>
<td>7. Totals (Lines 1 through 6)</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
<td>..........................................................</td>
</tr>
</tbody>
</table>

Note that the accrued amounts in Columns 3, 4 and 6 are the total health care receivables, not just the admitted portion.

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