

NAIC BLANKS (E) WORKING GROUP

Blanks Agenda Item Submission Form

<p align="right">DATE: <u>3/20/2025</u></p> <p>CONTACT PERSON: _____</p> <p>TELEPHONE: _____</p> <p>EMAIL ADDRESS: _____</p> <p>ON BEHALF OF: _____</p> <p>NAME: <u>Dale Bruggeman</u></p> <p>TITLE: <u>Chair SAPWG</u></p> <p>AFFILIATION: <u>Ohio Department of Insurance</u></p> <p>ADDRESS: <u>50W. Town St., 3rd Fl., Ste. 300</u> <u>Columbus, OH 43215</u></p>	<p align="center">FOR NAIC USE ONLY</p> <p>Agenda Item # <u>2025-14BWG</u></p> <p>Year <u>2025</u></p> <p>Changes to Existing Reporting <input type="checkbox"/> [X]</p> <p>New Reporting Requirement <input type="checkbox"/> []</p> <hr/> <p align="center">REVIEWED FOR ACCOUNTING PRACTICES AND PROCEDURES IMPACT</p> <p>No Impact <input type="checkbox"/> [X]</p> <p>Modifies Required Disclosure <input type="checkbox"/> []</p> <p>Is there data being requested in this proposal which is available elsewhere in the Annual/Quarterly Statement? <input type="checkbox"/> [No]</p> <p><i>***If Yes, complete question below***</i></p> <p align="center">DISPOSITION</p> <p><input type="checkbox"/> [] Rejected For Public Comment</p> <p><input type="checkbox"/> [] Referred To Another NAIC Group</p> <p><input type="checkbox"/> [] Received For Public Comment</p> <p><input checked="" type="checkbox"/> [X] Adopted Date <u>5/29/2025</u></p> <p><input type="checkbox"/> [] Rejected Date _____</p> <p><input type="checkbox"/> [] Deferred Date _____</p> <p><input type="checkbox"/> [] Other (Specify) _____</p>
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BLANK(S) TO WHICH PROPOSAL APPLIES

- | | | |
|-----------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|
| <input checked="" type="checkbox"/> [X] ANNUAL STATEMENT | <input checked="" type="checkbox"/> [X] INSTRUCTIONS | <input type="checkbox"/> [] CROSSCHECKS |
| <input checked="" type="checkbox"/> [X] QUARTERLY STATEMENT | <input type="checkbox"/> [] BLANK | |
| <input checked="" type="checkbox"/> [X] Life, Accident & Health/Fraternal | <input type="checkbox"/> [] Separate Accounts | <input checked="" type="checkbox"/> [X] Title |
| <input checked="" type="checkbox"/> [X] Property/Casualty | <input type="checkbox"/> [] Protected Cell | <input type="checkbox"/> [] Other _____ |
| <input checked="" type="checkbox"/> [X] Health | <input type="checkbox"/> [] Health (Life Supplement) | <input checked="" type="checkbox"/> [X] Life (Health Supplement) |

Anticipated Effective Date: Annual 2025

IDENTIFICATION OF ITEM(S) TO CHANGE

Add instructions to include Medicare Part D Prescription Payment Plan information to the Health Care and other amounts receivable line on the Asset Page, Supplemental Health Care Exhibit, Exhibit 3 – Health Care Receivables, and Exhibit 3A – Analysis of Health Care Receivables. (Title has been added to the proposal because the Assets page is uniform for all statements. The changes in the proposal are only for Life/Fraternal, Property/Casualty, & Health)

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

The purpose of this proposal is to add clarity on where the Medicare Part D Prescription Payment Plan information should be reported on the Annual and Quarterly Statement. (SAPWG INT 24-02: Medicare Prescription Payment Plan)

*****IF THE DATA IS AVAILABLE ELSEWHERE IN THE ANNUAL/QUARTERLY STATEMENT, PLEASE NOTE WHY IT IS REQUIRED FOR THIS PROPOSAL*****

NAIC STAFF COMMENTS

Comment on Effective Reporting Date: _____

Other Comments:

** This section must be completed on all forms.

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, 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.

Include receivables from Medicare Part D Prescription Payment Plan participants – Refer to INT 24-02:Medicare Prescription Payment Plan for accounting guidance. Note that amounts that are over 90 days overdue based on Medicare Prescription Payment Plan guidelines are nonadmitted.

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.

ANNUAL STATEMENT INSTRUCTIONS – HEALTH, LIFE/FRATERNAL, & PROPERTY

SUPPLEMENTAL HEALTH CARE EXHIBIT – PART 1



Detail Eliminated To Conserve Space

Line 2.1 – Incurred Claims Excluding Prescription Drugs

Include: Direct Paid Claims during the Year

Report payments before ceded reinsurance, but net of risk-share amount collected.

Change in Unpaid Claims

Report the change between prior year and current year unpaid claims reserves, including claims reported in the process of adjustment, percentage withholds from payments made to contracted providers, recoverable for anticipated coordination of benefits (COB) and subrogation.

Change in Incurred but not Reported

Report the change in claims incurred but not reported from prior year to current year. Except where inapplicable, the reserve included in these lines should be based on past experience, modified to reflect current conditions, such as changes in exposure, claim frequency or severity.

Change in Contract & Other Claims Related Reserves (including the Change in Reserve for Rate Credits).

Exclude: MLR rebates paid during the year.

Prescription drugs reported in Line 2.2.

Pharmaceutical rebates received during the year, reported in Line 2.3.

Medical incentive pools and bonuses.

Line 2.2 – Prescription Drugs

Include: Expenses for prescription drugs and other pharmacy benefits covered by the reporting entity.

Medicare Part D Prescription Payment Plan receivables from participants which have been impaired (and included in claims when written off) – Refer to INT 24-02: Medicare Prescription Payment Plan for accounting guidance.

Exclude: Prescription drug charges that are included in a hospital billing that should be classified as Hospital/Medical Benefits on Line 2.1.

- Line 2.3 – Pharmaceutical Rebates
- Refer to *SSAP No. 84—Health Care and Government Insured Plan Receivables* for accounting guidance.
- Line 2.4 – State Stop Loss, Market Stabilization and Claim/Census Based Assessments (Informational Only)
- Any market stabilization payments or receipts by insurers that are directly tied to claims incurred and other claims based or census-based assessments.
- State subsidies based on a stop-loss payment methodology.
- Unsubsidized state programs designed to address distribution of health risks across health insurers via charges to low risk-carriers that are distributed to high-risk carriers.
- Refer to *SSAP No. 35—Guaranty Fund and Other Assessments* for accounting guidance.
- Line 3 – Incurred Medical Incentive Pools and Bonuses
- Arrangements with providers and other risk-sharing arrangements whereby the reporting entity agrees to either share savings or make incentive payments to providers to promote quality improvements as defined in the PHSA (Section 2717).
- Should agree to Supplemental Health Care Exhibit, Part 2, Line 2.11, for each column.
- Health Statement:
- Column 15 should equal Underwriting and Investment Exhibit, Part 2, Line 13, Column 1 minus 14.
- Line 4 – Deductible Fraud and Abuse Detection/Recovery Expenses
- This amount is the fraud and abuse recoveries reported in Part 2, Line 3, Columns 1, 2, 3, 4, 5, 6, 7, 8 and 9.
- Line 5.0 – Total Incurred Claims (Lines 2.1 + 2.2 – 2.3 + 3)
- Should agree with Supplemental Health Care Exhibit, Part 2, Line 2.15.
- Line 5.1 – Net Assumed Less Ceded Reinsurance Claims Incurred
- Assumed reinsurance claims paid plus the change in the assumed reinsurance claims liability and aggregate assumed reinsurance claims reserve less the ceded reinsurance claims paid plus the change in the ceded reinsurance claims liability and aggregate ceded reinsurance claims reserve less the change in claims related reinsurance recoverables.
- Should agree with Supplemental Health Care Exhibit, Part 2, Line 2.16 plus Line 2.17, less Line 2.18, for each column.

Line 5.2 – Other Adjustments Due to MLR Calculation – Claims

Any amounts excluded from claims in Part 2 for MLR calculation purposes.

Deduct: MLR rebated incurred included in Line 5.0

Medicare Part D Prescription Payment Plan receivables from participants which have been impaired (and included in claims when impaired and written off) – Refer to INT 24-02: Medicare Prescription Payment Plan for accounting guidance.

ANNUAL STATEMENT INSTRUCTIONS – HEALTH & LIFE/FRATERNAL (HEALTH 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:

<u>Category</u>	<u>Line Number</u>
Pharmaceutical Rebate Receivables	0199999
Claim Overpayment Receivables.....	0299999
Loans and Advances to Providers	0399999
Capitation Arrangement Receivables.....	0499999
Risk sharing Receivables	0599999
Other Health Care Receivables	0699999
Gross Health Care Receivables.....	0799999

Column 7 – Admitted

Total line should equal the inset amount on Line 24 of the Asset Page.

Line 0699999 – Other Health Care Receivables

Include: Receivables from Medicare Part D Prescription Payment Plan participants – Refer to INT 24-02:Medicare Prescription Payment Plan for accounting guidance. Note that amounts that are over 90 days overdue based on Medicare Prescription Payment Plan guidelines are nonadmitted.

EXHIBIT 3A – ANALYSIS OF HEALTH CARE RECEIVABLES

The purpose of this exhibit is to analyze health care receivables collected and accrued for the current year compared to the prior year.

This exhibit is based on the gross health care receivable, not just the admitted portion.

Report the total asset (health care receivable) in this exhibit not just the admitted portion. Amounts are gross of reinsurance.

Refer to *SSAP No. 84—Health Care and Government Insured Plan Receivables* for accounting guidance. (See reporting guidance at https://content.naic.org/cmte_e_app_blanks.htm.)

In this exhibit, the term “accrued” is analogous to the term “incurred” on the U&I Exhibit, Part 2B. Accrued pertains to the health care receivable asset, whereas incurred pertains to the claim liability.

Columns 1 and 2:

Enter separately in Columns 1 and 2, Lines 1 through 6, all amounts collected or offset during the year accrued prior to the current year and accrued during the current year. Record only those amounts actually collected including offsets, that meet the offset conditions of *SSAP No. 64—Offsetting and Netting of Assets and Liabilities*.

Line 3 includes amounts charged against those gross health care receivables, such as loans or advances to non-related party hospitals, established as prepaid assets that are not expensed until the related claims have been received from the provider as the claims have not been paid as of the statement date.

All amounts collected, including offsets, related to prior year receivables accrued should be reported in Column 1. All amounts collected, including offsets, related to current year receivables accrued should be reported in Column 2.

Columns 3 and 4:

Enter separately in Columns 3 and 4 the gross health care receivables accrual amount between those accrued prior to the current year and those accrued during the year. All amounts accrued related to prior year receivables accrued should be reported in Column 3. All amounts accrued related to current year receivables accrued should be reported in Column 4.

For each of Lines 1 through 7, the sum of Columns 3 through 4 should agree to Exhibit 3, Health Care Receivables, sum of Columns 6 and 7, for each type of health care receivable and in total.

Column 5:

Enter the sum of Columns 1 and 3. This is the amount collected or offset during the current year on health care receivables that were accrued prior to the current year, plus amounts still accrued at the end of the current year, related to the health care receivable accrued at the end of the prior year.

Column 6:

Column 6 reports the amounts of prior year-end accounting accrual for gross health care receivables.

The comparison between Columns 5 and 6 is to the total receivables, not just the portion that is an admitted asset.

Line 6 – Other Health Care Receivables

Include: Receivables from Medicare Part D Prescription Payment Plan participants – Refer to INT 24-02: Medicare Prescription Payment Plan for accounting guidance. Note that amounts that are over 90 days overdue based on Medicare Prescription Payment Plan guidelines are nonadmitted.

ANNUAL STATEMENT INSTRUCTIONS – HEALTH

STATEMENT OF REVENUE AND EXPENSES

Report fully accrued revenue and expenses as defined below, for the period. Report uncovered expenses appropriately for medical, hospital and administration. Lines 9 through 13 should be reported gross of withholds and net of applicable coordination of benefits, deductibles, co-payments, risk share, and provider discounts.



Line 13 – Prescription Drugs

Include: Expenses for Prescription Drugs and other pharmacy benefits covered by the reporting entity.

Medicare Part D Prescription Payment Plan receivables from participants which have been impaired (and included in claims when impaired and written off) – Refer to INT 24-02:Medicare Prescription Payment Plan for accounting guidance.

Deduct: Pharmaceutical rebates relating to insured plans.

Exclude: Prescription drug charges that are included in a hospital billing which should be classified as Hospital/Medical Benefits on Line 9.

ANNUAL STATEMENT INSTRUCTIONS – LIFE/FRATERNAL

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS – ACCIDENT AND HEALTH

This exhibit shows Lines 1 through 33 of the Summary of Operations by Line of Business, in part.



Detail Eliminated To Conserve Space

Line 13 – Disability Benefits and Benefits Under Accident and Health Contracts

Should equal

Health Supplement – Analysis of Operations by Lines of Business, Line 17, Column 1 minus Column 14.

Plus Exhibit 6, Line 16, Column 1 CY.

Minus Exhibit 6, Line 16, Column 1 PY.

Include: Medicare Part D Prescription Payment Plan receivables from participants which have been impaired (and included in claims when written off) – Refer to INT 24-02:Medicare Prescription Payment Plan for accounting guidance.

HEALTH SUPPLEMENT

The Health Supplement shall be completed by those companies reporting accident and health business.

This supplement is required to be filed no later than March 1.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

Complete the supplement if the reporting entity has health lines of business to be reported in Columns 2 through 13. Reporting entities that only have non-health lines of business should not complete the supplement.

↓ **====** **Detail Eliminated To Conserve Space** **====** ↓

Line 12 – Prescription Drugs

Include: Expenses for Prescription Drugs and other pharmacy benefits covered by the reporting entity.

Medicare Part D Prescription Payment Plan receivables from participants which have been impaired (and included in claims when written off) – Refer to INT 24-02:Medicare Prescription Payment Plan for accounting guidance.

Deduct: Pharmaceutical rebates relating to insured plans.

Exclude: Prescription drug charges that are included in a hospital billing which should be classified as Hospital/Medical Benefits on Line 8.

QUARTERLY STATEMENT INSTRUCTIONS – HEALTH, LIFE/FRATERNAL, & PROPERTY

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.

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