

**Statutory Accounting Principles (E) Working Group
Maintenance Agenda Submission Form
Form A**

Issue: Medicare Part D Prescription Payment Plan Disclosures

Check (applicable entity):

	P/C	Life	Health
Modification of Existing SSAP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Issue or SSAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interpretation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Description of Issue:

This agenda item is to develop disclosures for the Medicare Part D Prescription Payment Plan (MPPP). The currently exposed accounting guidance for this program is in *INT 24-02: Medicare Part D Prescription Payment Plan*.

MPPP is effective January 1, 2025, and requires all Medicare prescription drug plans (Part D plan sponsors), including both standalone Medicare prescription drug plans and Medicare Advantage plans with prescription drug coverage, to offer its enrollees the option to pay their out-of-pocket prescription drug costs through monthly payments to the Part D plan sponsor over the remainder of the plan year, as opposed to paying the full amount upfront to the pharmacy.

Part D plan enrollees who elect to participate in MPPP (MPPP participants) will pay \$0 to the pharmacy for covered Part D drugs. Instead, the Part D plan sponsor is required to fully pay the pharmacy the total of an MPPP participant's applicable out-of-pocket amount and the Part D plan sponsor's portion of the payment in accordance with Part D prompt payment requirements. Subsequently, the Part D plan sponsor will bill the MPPP participant monthly for any cost-sharing incurred while enrolled in MPPP.

INT 24-02 provides the following key points:

- Installment receivables from MPPP participants which are less than 90 days overdue are admitted assets.
- Installment receivables from MPPP participants, which are more than 90 days overdue, are nonadmitted assets.
- The installment receivables from MPPP participants are reported in the Health care receivables reporting line (24) on the asset page as other health care receivables.
- Installments that are collected in full, will not impact Medicare Part D prescription claims.
- Only installment receivables which are impaired and written off as uncollectible are reported as incurred Medicare Part D prescription drug claims.

Existing Authoritative Literature:

In November 17-2024, agenda item 2024-24: Medicare Part D – Prescription Payment Program exposed for comment the currently outstanding revisions to:

- *INT 24-02: Medicare Part D Prescription Payment Plan* along with minor edits to
- *INT 05-05: Accounting for Revenues Under Medicare Part D Coverage*,

Activity to Date (issues previously addressed by the Working Group, Emerging Accounting Issues (E) Working Group, SEC, FASB, other State Departments of Insurance or other NAIC groups): When INT 24-02 was initially exposed November 17, 2024, the Statutory Accounting Principles (E) Working Group directed NAIC staff to develop disclosures for future discussion.

Information or issues (included in *Description of Issue*) not previously contemplated by the Working Group:
None

Convergence with International Financial Reporting Standards (IFRS): None.

Staff Review Completed by: Robin Marcotte, NAIC Staff

Staff Recommendation:

NAIC staff recommends that the Working Group move this item to the active listing, categorized as a SAP clarification, and expose revisions to *SSAP No. 84—Health Care and Government Insured Plan Receivables* to add the disclosures illustrated under the heading proposed **SSAP No. 84 disclosures**. The disclosures are proposed for initial data capture in the year end 2025 financial statement notes. This agenda item is proposed as a simultaneous exposure with the Blanks (E) Working Group (proposal 2025-04BWG) to allow for initial reporting at 2025-year end. Key points in the recommended disclosures are amounts reported before and after nonadmission, aging, and information on write offs.

Although NAIC staff considered adding line(s) for the MPPP receivables to the health care receivables exhibits in the annual statement blank, at this time, NAIC staff recommend putting the information in the existing health care receivables notes. This placement can be evaluated later as more information on the materiality of the new for 2025 MPPP program becomes available. If needed, the Working Group could re-consider later if additional lines are recommended in the health care receivable exhibits.

Proposed SSAP No. 84 Disclosures.

25. The financial statements shall disclose the following regarding the Medicare Part D Prescription Payment Plan receivables^(INT 24-02).

- a. Amounts included in other health care receivable which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period and the prior year.
- b. Aging of other health care receivables which are due from participants in Medicare Part D Prescription Payment Plan including the following categories: 1-30 days, 31-60 days, 61-90 days, over 90 days; nonadmitted and admitted.
- c. Information on the amount of write-offs of Medicare Prescription Payment Plan installments due from participants in the current and prior year.

Below is an illustration of the Proposed data capture in Note 28 – Health Care Receivables which will be exposed at the Blanks (E) Working Group in agenda item 2025-04BWG:

THIS EXACT FORMAT MUST BE USED IN THE PREPARATION OF THIS NOTE FOR THE TABLE BELOW. REPORTING ENTITIES ARE NOT PRECLUDED FROM PROVIDING CLARIFYING DISCLOSURE BEFORE OR AFTER THIS ILLUSTRATION.

C. Medicare Prescription Payment Plan Receivables

- (1) Amounts included in other health care receivable which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period \$ _____ and the prior year \$ _____.

(2) Aging of other health care receivables which are due from participant in Medicare Part D Prescription Payment Plan.

1	2	3	4	5	6	7	8	9
Name of plan	Current Period Gross*	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted	Prior Year admitted
Medicare Prescription Payment Plan								
Total								

*represents the Assets Page Column 1, included within Line 24 before nonadmission.

(3) Incurred claims expense includes write-offs of impaired Medicare Prescription Payment Plan receivables of \$ _____ for [current year] and \$ _____ for [prior year].

Status:

On March 24, 2025, the Statutory Accounting Principles (E) Working Group exposed revisions to *SSAP No. 84—Health Care and Government Insured Plan Receivables* to add disclosures for Medicare Part D Prescription Payment Plan receivables. The disclosures are proposed for initial data capture in the year end 2025 financial statement notes. This agenda item is proposed as a simultaneous exposure with the Blanks (E) Working Group (proposal 2025-04BWG) to allow for initial reporting at 2025-year end.

On May 22, 2025, the Statutory Accounting Principles (E) Working Group adopted, as final, revisions to *SSAP No. 84—Health Care and Government Insured Plan Receivables* which add disclosures about the Medicare Part D Prescription Payment Plan receivables. The adopted revisions include minor modifications which are illustrated as shaded text in the adopted language shown below. With this adoption, the Working Group also communicates support to the Blanks (E) Working Group to adopt its proposal 2025-04BWG with modifications of removing the word “of” and removing the “prior year” column in Note 28C(1).

Adopted 5-22-25 SSAP No. 84 Disclosures with minor revisions shown as shaded text

25. The financial statements shall disclose the following regarding the Medicare Part D Prescription Payment Plan receivables^(INT 24-02).

- a. Amounts included in other health care receivable which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period~~and the prior year.~~
- b. Aging of other health care receivables which are due from participants in Medicare Part D Prescription Payment Plan including the following categories: 1-30 days, 31-60 days, 61-90 days, over 90 days; nonadmitted and admitted.
- c. Information on the amount of write-offs of Medicare Prescription Payment Plan installments due from participants in the current and prior year.

The recommended blanks proposal revisions are also shown as shaded text below.

Below is an illustration of the Proposed data capture in Note 28 – Health Care Receivables which will be exposed at the Blanks (E) Working Group in agenda item 2025-04BWG:

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C. Medicare Prescription Payment Plan Receivables

- (1) Amounts included in other health care receivable which are recoverable from participants in Medicare Part D Prescription Payment Plan for the current reporting period \$ _____ ~~and the prior year \$ _____~~.
- (2) Aging of other health care receivables which are due from participant in Medicare Part D Prescription Payment Plan.

1	2	3	4	5	6	7	8	9
Name of plan	Current Period Gross*	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted	Prior Year admitted
Medicare Prescription Payment Plan								
Total								

*represents the Assets Page Column 1, included within Line 24 before nonadmission.

- (3) Incurred claims expense includes write-offs of impaired Medicare Prescription Payment Plan receivables of \$ _____ for [current year] and \$ _____ for [prior year].

[https://naiconline.sharepoint.com/teams/FRSStatutoryAccounting/NationalMeetings/A. National Meeting Materials/2025/05-22-2025/Adoptions/25-08 - MPPP disclosures for 5-22-25.docx](https://naiconline.sharepoint.com/teams/FRSStatutoryAccounting/NationalMeetings/A.NationalMeetingMaterials/2025/05-22-2025/Adoptions/25-08-MPPPdisclosuresfor5-22-25.docx)