

Capital Adequacy (E) Task Force
RBC Proposal Form

- Capital Adequacy (E) Task Force Health RBC (E) Working Group Life RBC (E) Working Group
 Catastrophe Risk (E) Subgroup Investment RBC (E) Working Group SMI RBC (E) Subgroup
 C3Phase IIAG43 (E/A) Subgroup P/C RBC (E) Working Group Stress Testing Subgroup

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UNDERWRITING RISK – MANAGED CARE CREDIT
XR017

The effect of managed care arrangements on the variability of underwriting results is the fundamental difference between health entities and pure indemnity carriers. The managed care credit is used to reduce the RBC requirement for experience fluctuations. It is important to understand that the managed care credit is based on the reduction in uncertainty about future claims payments, not on any reduction in the actual level of cost. Those managed care arrangem

Definition of Pass-Through Payments (Defined by CMS in section 4 of the 2016 Medicaid Managed Care Rate Development Guide)

A pass-through payment is any of the following things:

i. any amount that the state requires a managed care plan to pay providers for something other than:

(a) a specific service or benefit provided;

(b) an alternative provider payment methodology, which is consistent with previously issued guidance on integrated care models;

(c) a quality incentive payment;

(d) a subcapitated payment arrangement for a specific set of services;

(e) Graduate Medical Education (GME) payments; or

(f) Federally Qualified Health Center (FOHC) or Rural Health Clinic (RHC) wrap around payments.

ii. any amount added by the State, or any amount required by the State to be added, to the payments from the plans to the providers that is not included in the contracted payments rates between the plans and the providers for a