Risk Adjustment for EDS & RAPS Webinar
Q&A Documentation

July 21, 2016
2:00 p.m. – 3:30 p.m.

Second 2015 Final Reconciliation

Q1. Why is CMS conducting a second 2015 final reconciliation scheduled during calendar year 2017?

A1. CMS will run the 2015 final payment year (PY) risk scores a second time to reflect revisions to risk scores once coding changes and corrections are implemented in CMS' encounter data filtering process. Note that some of the errors in the MAO-004 reports were reporting only, but some were also reflected in the risk scores. CMS will use only the data that was submitted by the applicable final risk adjustment data submission deadline in February 2016 for PY 2015 to conduct the second final reconciliation.

2017 CMS Hierarchical Condition Category (CMS-HCC) Model

Q2. When will CMS update the Model Output Report (MOR) and the Monthly Membership Report (MMR) based on the new 2017 CMS-HCC model?

A2. CMS will update the MOR and the MMR for the 2017 CMS-HCC model starting with the January 2017 payment. Please continue to monitor Health Plan Management System (HPMS) notices for further guidance.

Q3. How will the MOR differentiate diagnoses submitted through the Risk Adjustment Processing System (RAPS) from diagnoses submitted through the Encounter Data System (EDS)?

A3. The MOR provides MAOs with the HCCs that are used to calculate the risk score of each beneficiary enrolled in their plan. Once CMS pays using risk scores that are a blend of an encounter data-based risk score and a RAPS-based risk score, CMS will make updates to the MOR to indicate the HCCs in the encounter data-based risk score separately from the HCCs in the RAPS-based risk scores. The first of these revised MORs should accompany the final reconciliation for PY 2016. Please continue to monitor Health Plan Management System (HPMS) notices for further guidance.

Q4. When blending the RAPS and the EDS risk scores, how does CMS determine the applicable diagnoses from each system?

A4. Since Medicare Advantage Organizations (MAOs) are responsible for filtering diagnoses before submitting them to CMS, we will consider all diagnoses submitted to RAPS to be risk adjustment eligible. (For program rules regarding eligible diagnoses for RAPS submissions, see "Medicare Managed Care Manual, Chapter 7 – Risk Adjustment.") CMS will extract (i.e., filter) diagnoses

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submitted to the Encounter Data System (EDS) that are eligible for risk adjustment, based on the filtering logic finalized in the HPMS memo "Final Encounter Data Diagnosis Filtering Logic" released on December 22, 2015.

Q5. Does the risk adjustment factor type (RAFT) for Community (code C), apply to PACE organizations?

A5. The Risk Adjustment Factor Type (RAFT) code field 46 will be populated with 'C' only for PACE organizations, starting January 1, 2017.

Q6. Why are there six (6) new community subgroups, but only three (3) new RAFT codes for the 2017 CMS-HCC model?

A6. The three RAFT codes (CF = Community Full Dual; CP = Community Partial Dual; CN = Community Non-Dual) were established to identify a beneficiary's dual status: 1) Full benefit 2) Partial benefit, and 3) Non-dual. CMS did not create six RAFT codes for the six subgroups, since MAOs can determine a beneficiary's aged/disabled status for the payment year. For community scores, MAOs should apply the relevant dual status RAFT code for each month and the beneficiary's aged v. disabled status for the payment year to determine which of the six community model segments will be selected for each beneficiary. For risk adjustment purposes, age as of February 1 of the payment year is used for the entire year.

Q7. How will MAOs determine if a beneficiary has partial or full dual status on the MMR?

A7. When CMS implements the new model in January 2017, the Dual Status Code field (Field 84) on the MMR will provide the Medicaid Dual Status Code for a beneficiary in the month used as an anchor month. The dual status in the anchor month is used determine which community risk score to apply in payment (In a month when a beneficiary is a new enrollee or LTI, this flag will provide dual status that would have been used to determine the community risk score).

Q8. Will MAOs receive notification of dual status beneficiaries throughout the year for previous payment months?

A8. As stated in the June 10, 2016 HPMS notice "2017 CMS-HCC Risk Adjustment Model Implementation," the MMR will report the dual status for the anchor month that was used to choose the community risk score for a beneficiary. In addition, CMS is developing a report that will identify MAO enrollees' actual monthly Medicaid status for a payment year at the time of the report distribution.

Q9. Is data from Fee-for-Service (FFS) used for Program of All-Inclusive Care for the Elderly (PACE) risk score calculations?

A9. As with all risk scores, CMS uses a beneficiary's diagnoses from the prior year, whether the beneficiary was in FFS, MA, PACE, or multiple programs. FFS diagnoses that are risk adjustment eligible are filtered from FFS claims, and diagnoses from plans (MAOs, PACE organization) are taken from RAPS and the encounter data systems (EDS).

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Starting with Payment Year 2015, CMS is calculating risk scores for PACE organizations by using diagnoses from FFS claims, RAPS, and EDS. Diagnoses from EDS are used as an additional source of diagnoses (i.e., we will not calculate two risk scores and blend them). Please refer to the 2015 Advance Notice and Rate Announcement for a discussion of how these risk scores will be calculated, as well as PY 2016 and PY 2017 Announcements, which state that we will continue to use this approach for PACE organizations.

Q10. Which risk adjustment models are excluded from the PY 2017 Medicare Advantage (MA) coding pattern factor?

A10. The MA coding pattern factor (5.66% for PY 2017) is applied to the Part C risk scores for MAOs and PACE organizations, and ESRD post-graft risk scores, which are based on the Part C model. The MA coding adjustment is not applied to the ESRD dialysis, Dialysis – New Enrollee, Transplant, and Part D risk scores.

MAO-004 Report

Q11. When will MAOs receive corrected MAO-004 reports?

A11. Per the August 3, 2016 HPMS notice "Revised MAO-004 File Layout," beginning fall 2016, CMS will re-issue all MAO-004 reports submitted for dates of service starting January 1, 2014 submitted in months January 2014 through the month when the revised layout is initially used. Diagnoses included on the revised report will reflect corrections made to the identification and reporting of risk adjustment eligible diagnoses. CMS will provide additional information on the schedule and process for the revised report distribution in a future update.

Q12. Will MAOs continue to receive MAO-004 Reports since the MOR will report HCCs for RAPS and EDS?

A12. Yes, MAOs will continue to receive MAO-004 Reports to reflect risk adjustment eligible diagnoses submitted on encounter data records. The MOR reflects HCCs that are used to determine a beneficiaries risk score, whether the diagnoses came from FFS or a plan.

General

Q13. When does CMS anticipate publishing their final decision regarding the proposal to add Anchor Medicaid Months to the MMR?

A13. The HPMS memo "2017 CMS-HCC Risk Adjustment Model Implementation" released on June 10, 2016 describes how the model will initially be implemented in January 2017. CMS is considering comments received in response to that memo for potential revisions in the coming year and will announce any changes via a follow up HPMS memo and user group calls.

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Q14. When will CMS weight diagnoses from the Encounter Data System more than diagnoses from the Risk Adjustment Processing System (RAPS) for risk score calculations?

A14. Starting in Payment Year (PY) 2016, CMS will use diagnoses from encounter data (along with diagnoses from FFS) to calculate risk scores. Separately, CMS will calculate risk scores using diagnoses from RAS (along with diagnoses from FFS). There two risk scores will be blended. For PY 2016 payment, CMS will sum 90% of the RAPS/FFS-based risk score with 10% of the encounter data/FFS-based risk score. CMS stated in the Announcement of Calendar Year (CY) 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter, CMS plans to increase the weighting of encounter data-based risk scores over the next few years using the following blends:

2017: 25% of the risk score using encounter data and FFS diagnoses and 75% of the risk score using RAPS and FFS diagnoses.

2018: 50% of the encounter data/FFS-based risk score and 50% of the RAPS/FFS-based risk score.

2019: 75% of the encounter data/FFS-based risk score and 25% of the RAPS/FFS-based risk score

2020: 100% encounter data/FFS-based risk score.

Q15. Does PY 2016 Mid-Year (MY) run include data from both EDS and RAPS?

A15. For PY 2016, the initial and MY risk scores will include only RAPS and FFS diagnoses. The blend of RAPS/FFS-based and encounter data/FFS-based risk scores will be applied in the final PY2016 risk score.

Q16. Can MAOs submit ICD-9 and ICD-10 codes on a single claim?

A16. No. ICD-9 codes and ICD-10 codes must not be submitted on single claim/encounter. The transition from ICD-9 to ICD-10 went into effect as of 10/1/15. Any encounter with a "through date" on or before 9/30/15 must have ICD-9 codes and any encounter that spans dates of service on or after 10/1/15 must have ICD-10 codes. However, if the dates of service are before 10/1/15 with a through date after 10/1/15, then two separate submissions (one with ICD-9 and one with ICD-10) are required.

Q17. Will CMS use diagnoses submitted to the EDS on unlinked chart review records in the PY 2016 final reconciliation?

A17. Yes, CMS will include diagnoses from unlinked chart review records when we incorporate diagnoses from encounter data into the risk scores, including the PY 2016 Final Reconciliation.

Q18. Will CMS factor procedure codes submitted to the EDS in determination of risk scores?

A18. Yes, CMS will use procedure codes submitted on encounter data records to determine whether or not diagnoses from Institutional Outpatient and Professional encounters are eligible for risk

adjustment. If one line on an accepted encounter data record contains a procedure code from the list of allowable CPT/HCPC codes found on the CMS Risk Adjustment website, https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html, CMS will consider all diagnoses in the record header to be eligible for risk adjustment. More information on the methodology CMS uses to select risk adjustment eligible diagnoses can be found in the December 22nd, 2015 HPMS memo, "Final Encounter Data Diagnosis Filtering Logic."

Q19. Where can MAOs locate the EDS filtering logic?

A19. MAOs can access the risk adjustment filtering logic in the December 22, 2015 HPMS notice "Final Encounter Data Diagnosis Filtering Logic" published on the CSSC Operations website at: http://csscoperations.com/internet/cssc3.nsf/files/Final%20Industry%20Memo%20Medicare%20Filtering%20Logic%2012%2022%2015.pdf/$FIle/Final%20Industry%20Memo%20Medicare%20Filtering%20Logic%2012%2022%2015.pdf .

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