RISK ADJUSTMENT for EDS & RAPS Newsletter

January 2016

2016 Risk Score Reruns for Purposes of Payment Recovery

For calendar year 2016, CMS will complete risk adjustment payment reruns for the following prior payment years:

Payment Year	Dates of Service
2010	2009
2011	2010
2012	2011
2013	2012
2014	2013

CMS will notify Medicare Advantage Organizations (MAOs) at least 30 days in advance of the deadline for submitting deletes for each data run.

REMINDER: Per the August 28, 2015 Overpayment FAQ HPMS Memorandum, as long as a prior, closed payment year is in the look-back period, plan sponsors must report and return the overpayment within 60 days of identification of the overpayment, regardless of any rerun deadline for that payment year.

Risk Adjustment Processing Systems (RAPS) and Encounter Data System (EDS) Submission Deadlines

Submission Deadline

Please refer to the following table for the risk adjustment data submission deadlines.

Risk Score Run	Dates of Service (DOS)	Risk Adjustment Data Submission Deadline
2015 Final Reconciliation	01/01/2014 – 12/31/2014	Monday, 02/01/2016
2016 Mid-Year Run	01/01/2015 – 12/31/2015	Friday, 03/04/2016
2017 Initial Run	07/01/2015 – 06/30/2016	Friday, 09/09/2016
2016 Final Reconciliation	01/01/2015 – 12/31/2015	Friday, 02/03/2017

Encounter Data Submission Deadline Guidance

Risk adjustment data submission deadlines also apply to encounter data submission for payment purposes. Risk adjustment eligible diagnoses for 2014 DOS submitted to the EDS prior to 02/01/2016 will be considered in risk score calculation. However, we remind plans that they should continue to submit encounters after the risk adjustment deadline, as they are required to submit all items and services provided to Medicare beneficiaries per 42 CFR 422.310.

IMPORTANT Note: To provide sufficient time for organizations to receive edit reports and submit corrected Encounter Data Records (EDRs) before the deadline, CMS strongly encourages organizations to submit EDRs (original, replacement/adjustment, and chart review EDRs) as soon as possible and to follow existing guidance on the frequency and timeliness of submissions.

Additional Diagnoses Submitted After the Risk Adjustment Deadline

The risk adjustment deadline applies to encounter data for payment purposes; CMS will not incorporate additional diagnoses into the risk score calculation when diagnoses are submitted after the final risk adjustment submission deadline, per 42 CFR 422.310(g). Once the final risk adjustment deadline passes for a payment year, only deleted diagnoses will be considered for risk score reruns per section 1128J(d) of the Social Security Act.

ICD-10 Frequently Asked Questions

The 9/25/15 HPMS Memo, "*Guidance Regarding ICD-10 and Medicare Advantage,*" contains several frequently asked questions (FAQs) related to ICD-10 submissions by MAOs.

Health Insurance Prospective Payment System (HIPPS) Codes Not Required for CAH Encounters

HIPPS codes are not required when reporting services for Critical Access Hospitals (CAHs) using TOB 18X (Hospital Swing Bed). Please refer to the HIPPS Codes Not Required for CAH Encounters section in the 10/23/15 HPMS memo "*Guidance Regarding Risk Adjustment Processing System (RAPS) and Encounter Data System (EDS): Additional Diagnoses Submitted After the Risk Adjustment Deadline for a Payment Year, Health Insurance Prospective Payment System (HIPPS) Codes for Critical Access Hospitals (CAHs), and Default National Provider Identifiers for Atypical Providers,"* for additional guidance.

Per the 5/23/14 "Submission of HIPPS Codes to Encounter Data System" and 12/4/14 "Additional Guidance Regarding Submission of HIPPS Codes to Encounter Data System" HPMS memos, organizations are required to report HIPPS Codes when submitting encounter data for services from Skilled Nursing Facilities (SNFs) and Home Health Agencies (HHAs) for encounters with "from" DOS July 1, 2014 or later.

Revised 2016 Readiness Checklist

On 11/20/15, CMS released the HPMS Memo "Revised 2016 Readiness Checklist for Medicare Advantage Organizations, Prescription Drug Plans, and Cost Plans" outlining key operational requirements established in statutes, regulations, manual chapters, HPMS memos, applications, and other advisory materials.

The risk adjustment-related items on the checklist apply to MAOs and other organizations that submit RAPs and encounter data. These organizations should review the checklist carefully and take the necessary measures to fulfill the requirements. Readiness items specific to the EDS and Risk Adjustment Processing System (RAPS) include:

- Update the organization's contact contract information in HPMS.
- MAOs and other entities must be certified to submit data to both EDS and RAPS.
- Enroll to submit data through CSSC.
- Subscribe to receive email updates.
- Perform certification requirements.
- Be familiar with guidance contained on the CSSC website.
- Begin submission of production data within 4 months of contract effective date.

IMPORTANT: If an MAO needs assistance, or is unable to comply with the requirements, contact the Account Manager in a timely manner.

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Default National Provider Identifiers (NPIs) for Atypical Providers

The EDS requires MAOs to populate encounters with a valid NPI. In the instance an atypical provider renders service, but does not have an NPI, CMS has provided default NPI values. Default NPIs should only be submitted to the EDS when the provider is considered to be "atypical." To submit encounter data from atypical providers, use the following default NPIs:

- Payer ID 80881 (Institutional) – 1999999976
- Payer ID 80882 (Professional) – 1999999984
- Payer ID 80887 (DME) – 1999999992

Note: An atypical provider is defined as an individual or business that bills for services rendered, but does not meet the definition of a healthcare provider according to the NPI Final Rule 45 CFR 160.103 (e.g., non-emergency transportation providers, Meals on Wheels, personal care services, etc.).

2016 Close-Out Letter

On 11/30/15, CMS released the *Close-Out Letter for Organizations and Sponsors that are Non-Renewing a Contract Effective January 1, 2016,* to provide post-contract non-renewal requirements for all organizations and sponsors with Medicare Advantage (MA), Medicare Advantage Prescription Drug (MA-PD), Prescription Drug Plan (PDP), Employer/Union-Only Group Waiver Plans, and Section 1876 and 1833 Cost Plan contracts non-renewing effective January 1, 2016.

All non-renewing contracts are required to submit both RAPS and EDS risk adjustment data, as follows:

- January 2014 through December 2014 dates of service (DOS) by February 1, 2016.
- January 2015 through December 2015 DOS must be submitted before the contract loses access to CMS' systems.
- All organizations/sponsors are required to adhere to 42 CFR §422.326 and 42 CFR §423.360. An organization/sponsor is required to report and return overpayments to CMS. Risk adjustment data (including encounter data) corrections submitted to correct an overpayment must be submitted to CMS before the contract loses access to CMS' systems. However, if a terminated organization/sponsor identifies an overpayment after this point, the organization/sponsor must report and return the overpayment to CMS in a manner consistent with the 2/18/15, HPMS memo, *Guidance for Reporting and Returning Medicare Advantage Organization and/or Sponsor Identified Overpayments to the Centers for Medicare & Medicaid Services (CMS)*, for returning overpayments in the "other" category.

Part C and Part D Risk Adjustment Model Output Data File Maintenance for 2016

The layout of the Part C and Part D Risk Adjustment Model Output Data File (Model Output Report, or MOR) will change with the January 2016 monthly payment. These changes will include the following:

- Record Type A on the Part C MOR will no longer be used. Record Type A will be necessary when re-running risk scores from payment years prior to 2016.
- The 2016 Part D MOR will be modified to support the new Prescription Hierarchical Condition Category (RxHCC) model, due to the HCC factors changing in the new model.

Reference the 8/28/15 HPMS Memo, "Announcement of the November 2015 Software Release," for the MOR report layouts.

MAO-004 Reports Distribution

File Naming Conventions, Submitter Access, and Interpretation

Retrieval Location/File Name:

- Gentran Mailbox/TIBCO MFT Internet Server: P.Rppppp.MAO004.Dyymmdd.Tttttttt
- Connect:Direct (Mainframe): zzzzzzzz.Rppppp.MAO004.Dyymmdd.Tttttttt
- Connect:Direct (Non-Mainframe): [directory]Rppppp.MAO004.Dyymmdd.Tttttttt

File Codes Descriptions:

- zzzzzzz - plan sponsor-provided high level qualifier
- ppppp - contract number
- yy - two-digit year representing when the file was sent
- mm - two-digit month representing when the file was sent
- dd - two digit day representing when the file was sent
- tttttt - timestamp, representing the time the file was sent

Note: During the processing of the backlog of reports, two reports per day may be sent to submitters; therefore, file names will only differ by the timestamp portion of the file naming convention.
Please reference the December 23, 2015 HPMS memo entitled "Distribution of the MAO-004 Reports" for additional information.

For assistance with access and interpretation of the MAO-004 Reports, please contact the MAPD Help Desk at mapdhelp@cms.hhs.gov or 800-927-8069 Monday - Friday 6:00 a.m. - 9:00 p.m. ET.

Encounter Data Risk Filtering

The 12/22/15 HPMS memo "Final Encounter Data Diagnosis Filtering Logic" provides updated information regarding how CMS extracts risk adjustment eligible diagnoses from encounter data records for use in calculating risk scores. CMS is finalizing the filtering logic for payment year (PY) 2015 by providing an updated description of the filtering logic and a discussion of the development of the Current Procedural Terminology (CPT)/Healthcare Common Procedure Coding System (HCPCS) list used for filtering encounter data. Access to the updated Medicare Risk Adjustment CPT/HCPCS list for PY 2015 is located at (https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html).

CMS will incorporate diagnoses from encounter data into the risk scores used in PY 2015 and 2016. For PY 2015, diagnoses (2014 DOS) submitted on encounter data records will be an additional source of diagnoses in the calculation of the risk scores. For PY 2016 (2015 DOS), risk scores used for payment will be a blend of two risk scores: 10% of the risk score calculated using diagnoses from encounter data records and fee-for-service (FFS) claims added to 90% of the risk score calculated using diagnoses submitted to RAPS and FFS claims. For both PY 2015 and PY 2016, CMS will calculate risk scores used to pay PACE organizations by using diagnoses submitted on encounter data as an additional source of diagnoses. This memo covers:

- CPT Code-based Filtering of Professional Encounter Data Records
- Filtering Institutional Inpatient Encounter Data Records
- Filtering Institutional Outpatient Encounter Data Records
- Incorporation of Chart Review
- Submission Deadline
- Addendum A: Methodology for Creating the Medicare CPT/HCPCS Code List
- Addendum B: Response to Comments

Encounter Data Processing System (EDPS) Edits – February 2016

Edit # (Module)	Edit Description	Prevention/Resolution Strategy
00030 (Professional, Institutional, & DME)	ICD-10 Dx Not Allowed	ICD-10 diagnosis and/or procedure codes cannot be submitted for inpatient or home health encounters with 'Through' DOS prior to 10/01/2015 or outpatient encounters with a 'From' DOS prior to 10/1/2015. ICD-9 codes are required.
00035 (Professional, Institutional, & DME)	ICD-9 Dx Not Allowed	ICD-9 diagnosis and/or procedure codes cannot be submitted for inpatient or home health encounters with 'Through' DOS on or after 10/01/2015 or outpatient encounters with a 'From' DOS on or after to 10/1/2015. ICD-10 codes are required.
22355 (Institutional)	Inpatient Service Line Error	EDPS will reject Institutional inpatient encounters (TOB 11X, 18X, 21X, and 41X) at the header level when any of the associated service lines have been rejected. MAOs must correct the service line errors and resubmit the encounter.
22220 (Institutional)	Admit/Provider Effective Date Conflict	Admission date indicated on encounter occurred before the provider's NPI was deemed active/effective. **Note**: The EDPS will validate bill types prior to posting edit 22220.
03125 (Professional)	Bilateral Procedure Units Exceed One	Procedures with bilateral surgery indicator of '1' or '2' must be billed with only one (1) unit of service with modifier combinations of 50, RT, or LT for indicator '1' or 52, RT, or LT for indicator '2'.
03110 (Professional)	Invalid Modifier RT / LT	Encounters submitted with a relevant unilateral/bilateral procedure code corresponding to bilateral surgery indicator of '2' on two separate service lines, for the same date of service, cannot contain modifier 'RT' on one (1) line and 'LT' on a subsequent line.
02125 (Professional, Institutional, & DME)	Beneficiary DOB Mismatch	Verify that Date of Birth (DOB) populated on the encounter matches DOB listed in MARx database. The EDPS will accept these encounters, within plus or minus two (2) years beneficiary's birth year. (**NOTE:** CMS anticipates that this change in edit will be short term and expects plan sponsors to improve their submission of DOB**)**
01405 (Professional & Institutional)	Sanctioned Provider	Submitter must ensure that provider (billing and/or rendering) was not suspended or terminated from providing services for Medicare beneficiaries during the time(s) of service indicated on the encounter.

Resources

Visit…	For information about…
http://www.cms.gov	Policies and regulations for Risk Adjustment and Encounter Data
https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/index.html	CMS Online Manuals for operating instructions, policies, and procedures based on statutes and regulations, models, and directives.
https://www.cms.gov/medicare/health-plans/medicareadvtgspecratestats/downloads/advance2016.pdf	Advance Notice of Methodological Changes for Calendar Year (CY) 2016
https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html	CMS HCC Model Software and ICD-9/ICD-10 CM Mappings
http://www.csscoperations.com	EDS and RAPS data submission resources, reports guidance, and training resources
http://www.wpc-edi.com	Health Care Code Lists and Technical Report Type 3 (TR3)
http://www.tarsc.info/	Risk Adjustment for EDS & RAPS Outreach events schedule, newsletter subscriptions, and webinar registration
https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/index.html	Changes and updates to CMS operational and policy guidance, including the quarterly updates to the CEM Edits Spreadsheet
https://www.hpms.cms.gov/app/login.aspx?ReturnUrl=%2fapp%2fhome.aspx	Health Plan Management System (HPMS) site
https://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/HPMS/Overview.html	HPMS reference materials including user ID process, FAQs, and Help Desk information
Email…	**With questions regarding…**
csscoperations@palmettogba.com	Testing , certification, and EDFES and EDPS editing
encounterdata@cms.hhs.gov	EDS policy and operational questions
riskadjustment@cms.hhs.gov	RAPS policy and operational questions