

Risk Adjustment

**User
Group**

Thursday, August 1, 2013
3:00 P.M. – 4:00 P.M. ET



Risk Adjustment User Group

August 1, 2013



Agenda

- Overview
- Risk Adjustment Highlights and Updates
- OREC Examples
- Reminders
- Next Steps
- Questions
- Closing

Purpose

- To provide Medicare Advantage Organizations (MAOs) and other entities with industry updates pertaining to Risk Adjustment
- To offer guidance regarding Risk Adjustment policy and operations
- To provide reminders regarding submission requirements and resources

Audience

- Medicare Advantage (MA) and Medicare Advantage-Prescription Drug (MA-PD) Organizations
- Regional and Employer Group Health Plans
- Demonstration Plans
- Program of All-Inclusive Care for the Elderly (PACE) Organizations
- Specialty Plans
- Third Party Submitters

Session Guidelines

- This is a one (1)-hour Risk Adjustment User Group session
- The session will address highlights/updates for Risk Adjustment, provide examples, and offer reminders and next steps
- If time allows, the Risk Adjustment team will facilitate a Q&A period at the end

Risk Adjustment Highlights and Updates

Error Code 403

- CMS has revised the Error Code Description for **Error Code 403** to read:

“SERVICE THRU-DATE IS OUTSIDE THE RISK ADJUSTMENT PROCESSING RANGE”

Note: The RAPS Error Code list can be found under the RAPS tab at <http://www.csscooperations.com/>.

File Availability

HCC Mapping and Relative Factor File Availability

Tables	Format
HCC Mappings/ Diagnosis Code Files	Excel
Relative Factors	PDF in the Payment Announcements

Relative Factors

Home > Medicare > Medicare Advantage Rates & Statistics > Announcements and Documents

Medicare Advantage Rates & Statistics

- [FFS Data \(2008-2011\)](#)
- [FFS Data \(1998-2007\)](#)
- [Risk Adjustment](#)
- [FFS Trends](#)
- [Actuarial Bid Questions](#)
- [Bid Forms & Instructions](#)
- [Elder Training - Introductory / Intermediate Topics](#)
- [Elder Training - 2014](#)
- [Announcements and Documents](#)
- [Ratebooks & Supporting Data](#)

Announcements and Documents

These documents comprise the Medicare Advantage (MA), and Medicare+Choice (M+C) advance notices of methodological changes; announcements issued with MA or M+C rates; and special reports.

Show entries: 10

Filter On:

Rate Year	Document Title	Release Date
2014	2014 Announcement	2013-04-01
2014	2014 Advance Notice	2013-02-15
2013	2013 Announcement	2012-04-02
2013	2013 Advance Notice	2012-02-17

The Relative factors can be found in the Announcements at <http://www.cms.gov/>

CMS Home > Medicare > Medicare Advantage Rates & Statistics > Announcements and Documents

2013 Relative Factors

From the 2013 Announcement:

Attachment VI. Preliminary CMS-HCC and Rx-HCC Risk Adjustment Factors

Tables

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Note: “Preliminary” tables are actually “final.”



2014 Relative Factors

Table 1. 2014 CMS-HCC Model Relative Factors for Community and Institutional Beneficiaries

Variable	Community	Institutional
Female		
0-34 Years	0.197	1.169
35-44 Years	0.205	0.949
45-54 Years	0.263	0.915
55-59 Years	0.326	0.981
60-64 Years	0.392	0.986
65-69 Years	0.288	1.237
70-74 Years	0.348	1.145
75-79 Years	0.437	1.033
80-84 Years	0.539	0.922
85-89 Years	0.677	0.836
90-94 Years	0.815	0.705
95 Years or Over	0.840	0.533
Male		
0-34 Years	0.121	1.162
35-44 Years	0.124	0.894
45-54 Years	0.181	0.910
55-59 Years	0.269	0.951
60-64 Years	0.311	1.081
65-69 Years	0.288	1.388
70-74 Years	0.356	1.431
75-79 Years	0.442	1.391
80-84 Years	0.543	1.327
85-89 Years	0.683	1.252
90-94 Years	0.848	1.076
95 Years or Over	1.028	0.948

From Table 1 in the 2014 Announcement



ICD-9-CM Codes, CMS-HCC, and RxHCC Mappings

Recently posted!

- Diagnosis to HCC mappings for the 2013 and 2014 models
- Updated ICD-9-CM mappings include diagnoses for the 2013 CMS-HCC, CMS-HCC PACE/ESRD, 2014 CMS-HCC, and RxHCC models

The screenshot shows the Medicare Advantage Rates & Statistics website. The breadcrumb trail is: Home > Medicare > Medicare Advantage Rates & Statistics > Risk Adjustment. The left sidebar contains a menu with the following items: Medicare Advantage Rates & Statistics (selected), FFS Data (2008-2011), FFS Data (1998-2007), Risk Adjustment, FFS Trends, Actuarial Bid Questions, Bid Forms & Instructions, Bidder Training - Introductory / Intermediate Topics, Bidder Training - 2014, Announcements and Documents, Ratebooks & Supporting Data, and Data. The main content area is titled "Risk Adjustment" and contains the heading "Medicare risk adjustment information, including:" followed by a bulleted list: Evaluation of the CMS-HCC Risk Adjustment Model, Model diagnosis codes, Risk Adjustment model software (HCC, RxHCC, ESRD), and Information on customer support for risk adjustment. Below this is a "Show entries: 10" dropdown, a "Filter On:" search box, and a "Year" dropdown menu. A list of links is displayed: 2014 Model Software/ICD-9-CM Mappings (highlighted with a red arrow), 2013 Model Software/ICD-9-CM Mappings, and 2012 Model Software/ICD-9-CM Mappings.

<http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html>

2014 Payment Year Initial ICD Mapping

ICD-9-CM Codes, CMS-HCC, and RxHCC Models

Includes ICD-9 codes valid in FY2012 and FY2013

DIAGNOSIS CODE	SHORT DESCRIPTION	2013 CMS-HCC Model Category	CMS-HCC PACE/ESRD Model Category	2014 CMS-HCC Model Category	RxHCC Model Category	2013 CMS-HCC Model for 2014 Payment Year	CMS-HCC PACE/ESRD Model for 2014 Payment Year	2014 CMS-HCC Model for 2014 Payment Year	RxHCC Model for 2014 Payment Year
0031	Salmonella septicemia	2	2	2		Yes	Yes	Yes	No
00322	Salmonella pneumonia	112	115	115		Yes	Yes	Yes	No
00323	Salmonella arthritis	37	39	39		Yes	Yes	Yes	No
00324	Salmonella osteomyelitis	37	39	39		Yes	Yes	Yes	No
0064	Amebic lung abscess	112	115	115	106	Yes	Yes	Yes	Yes

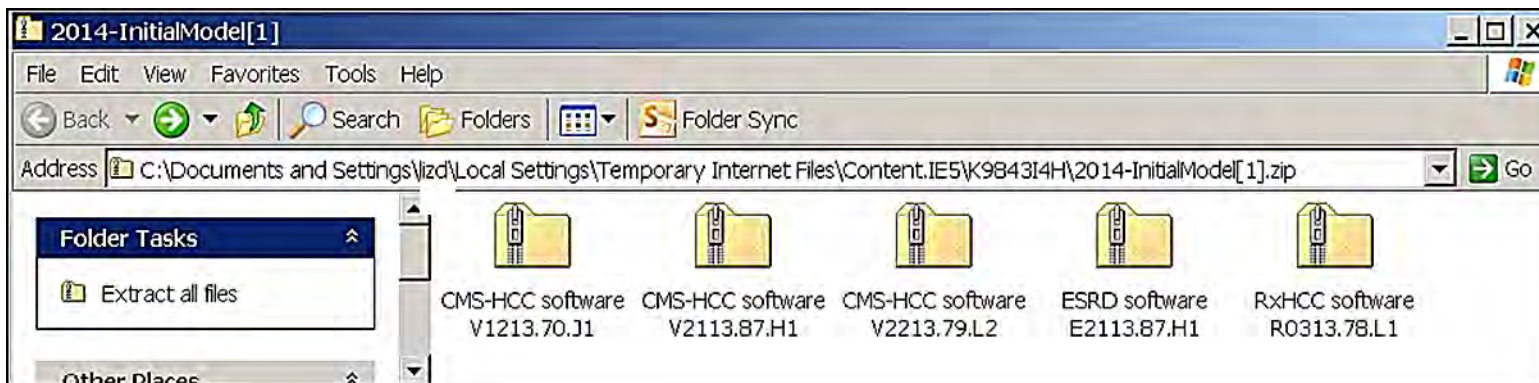
The full 2014 Payment Year table, as well as those for previous years, can be found at

<http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html>.



2014 Initial Model Software

- SAS software is provided on the CMS website for plans to calculate their risk scores.



- The SAS software for 2014 and previous years can be found at <http://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html>.
- Plans should note that the SAS software produces a raw risk score. The software does not normalize or apply coding intensity factors, so that is a step plans must perform after running the calculations.

Part C Normalization and Coding Intensity Factors

Payment Year	Model/Segment	Normalization Factor	Coding Intensity Adjustment	Announcement Year for Relative Factors
2011	CMS-HCC	1.058	0.0341	2009
2011	CMS-HCC C-SNP New Enrollee	1.058	0.0341	2011
2011	CMS-HCC ESRD Dialysis	1.06	N/A	2008
2011	CMS-HCC ESRD Transplant	1.06	N/A	2008
2011	CMS-HCC ESRD Functioning Graft	1.088	0.0341	2008
2012	CMS-HCC	1.079	0.0341	2009
2012	CMS-HCC PACE	1.051	0.0341	2012
2012	CMS-HCC C-SNP New Enrollee	1.079	0.0341	2011
2012	CMS-HCC ESRD Dialysis	1.012	N/A	2012
2012	CMS-HCC ESRD Transplant	1.012	N/A	2012
2012	CMS-HCC ESRD Functioning Graft	1.051	0.0341	2012
2013	CMS-HCC	1.028	0.0341	2013
2013	CMS-HCC PACE	1.07	0.0341	2012
2013	CMS-HCC C-SNP New Enrollee	1.028	0.0341	2013
2013	CMS-HCC ESRD Dialysis	1.023	N/A	2012
2013	CMS-HCC ESRD Transplant	1.023	N/A	2012
2013	CMS-HCC ESRD Functioning Graft	1.07	0.0341	2012

Model Year Crosswalk

PART C NORMALIZATION AND CODING INTENSITY FACTORS

Payment Year	Model/Segment	Normalization Factor	Coding Intensity Adjustment	Announcement Year for Relative Factors
2011	CMS-HCC	1.058	0.0341	2009
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PART D RISK ADJUSTMENT FACTOR CODES

Part D RA Factor	Description
D1	Community Non-Low Income Continuing Enrollee
D2	Community Low Income Continuing Enrollee
D3	Institutional Continuing Enrollee
D4	New Enrollee Community Non-Low Income Non-ESRD
D5	New Enrollee Community Non-Low Income ESRD
D6	New Enrollee Community Low Income Non-ESRD
D7	New Enrollee Community Low Income ESRD
D8	New Enrollee Institutional Non-ESRD
D9	New Enrollee Institutional ESRD

PART D RXHCC NORMALIZATION FACTORS AND ANNOUNCEMENT YEARS

Payment Year	Normalization Factor	Announcement Year for Relative Factors
2011	1.029	2011
2012	1.031	2012
2013	1.034	2013

This table can be found in the 2012 Risk Adjustment Job Aids under Risk Adjustment Processing System Training at <http://www.csscope.rations.com>.



Enrollee Risk Assessment Indicator

- CMS is implementing a data collection and analysis effort that requires MAOs to identify which diagnoses submitted to CMS for the purpose of risk-adjusted payment were obtained through enrollee risk assessments.
- Beginning with dates of service January 1, 2014, MAOs are required to populate this new field to identify diagnoses obtained from these assessments.

OREC Examples

Original Reason for Entitlement

- The Original Reason for Entitlement Code (OREC) is a number that represents the beneficiary's original reason for entitlement to Medicare (e.g., aged, disability, and ESRD).
- An OREC of 1 indicates a beneficiary was originally entitled to Medicare due to disability, and results in the inclusion of a factor in the risk score for beneficiaries 65 years of age or older who were originally entitled to Medicare due to disability. The factor differs by the age and sex of the beneficiary.

OREC Example 1 - Question

Our plan has a member whom we believe should have received a disabled interaction. The member was born in 1928, and was 83 years old in the 2012 payment year, so is aged and not currently disabled. However, this member was originally disabled. The member received a factor for HCC 52.

Should we have received a disabled-disease interaction D_HCC52 for Disability with HCC 52?

OREC Example 1 - Answer

- In the risk adjustment model, “disabled” is defined as a beneficiary age < 65.
- To receive a disabled – disease interaction, a beneficiary must have an applicable HCC as well as be age < 65.
- In this instance, the age, sex, and disease factors appropriately predict this beneficiary’s risk score.
- The correct payment was made for this beneficiary.

OREC Example 2

Question: Why do we see members on the MMR with OREC 1 with an ESRD flag?

Answer: An OREC of 1 indicates that the beneficiary was originally entitled to Medicare due to disability and is not necessarily a current indicator of a beneficiary's status. For example, a beneficiary could have been originally entitled to Medicare due to disability, but developed ESRD at a later date. In this instance, it is possible for the beneficiary to have an OREC of 1 and an ESRD flag. However, if a beneficiary is believed to have an incorrect OREC, plans may work with the enrollee and the Social Security Administration (SSA) to confirm and correct the entitlement reason.

Reminders

Risk Adjusted Payment Calculation

- CMS will continue to use RAPS data submissions for calculation of risk adjustment payment for PY 2014 (2013 DOS).
- MAOs should continue to submit data into RAPS for this purpose.
- All encounter data submission requirements are still in place for DOS starting in January 2012.

Quarterly Submission Requirement

Were you aware that there is a requirement for the frequency of data submission?

At a minimum, MAOs must submit risk adjustment production data at least once each calendar quarter.



PY 2011 Deletes Reminder

- Currently no 2010 dates of service are allowed.
- CMS will notify non-RADV plans when they can submit.
- Payment Adjustments based on deletes as of 5/31/13 will show up in payment later this year.
- Look at monthly payment notices for information on when adjustments will be processed.

Data Corrections



- Plans should disclose any correction of payment data errors online through the Ask Risk Adjustment Web Portal at <https://askriskadjustment.com>.
- Plans may submit multiple corrections prior to finalizing their submission in the Ask Risk Adjustment Web Portal.

New Contact Information

Please direct all risk adjustment requests
to the new mailbox:

riskadjustment@cms.hhs.gov

Next Steps

Evaluation

- Following this User Group, you will receive an email requesting your feedback regarding this session.
- Please take a moment to respond to the questions and provide comments, as this information will assist CMS with meeting your training needs and enhancing your User Group participation experience.

Your feedback is important!

 **Risk Adjustment User Group**
Risk Adjustment User Group Evaluation
August 1, 2013

Thank you for participating in the August 1, 2013 Risk Adjustment User Group session. We appreciate your feedback. Your responses assist in determining to what extent CMS achieved the User Group goals and in identifying enhancement opportunities.

BACKGROUND

Which of the following best describes your organization?

Consulting Organization MA Only MA-PD Other (Specify):

Employer Group Waiver Plan Third Party Submitter SNP

PACE CMS Cost Plan

YOUR FEEDBACK IS IMPORTANT!



Resources

Resource	Link
Centers for Medicare & Medicaid Services (CMS)	http://www.cms.gov/
CSSC Operations	http://www.csscooperations.com csscooperations@palmettogba.com
Technical Assistance Registration Service Center (TARSC)	http://www.tarsc.info/

Questions?

Closing Remarks