



2012 Regional Technical Assistance Presentation Slides



Tuesday, August 7, 2012

Risk Adjustment

Risk Adjustment



2012 Regional Technical Assistance



Baltimore, MD
August 7, 2012

2012 Regional Technical Assistance



Risk Adjustment

Introduction



Purpose



- Provide an overview of core risk adjustment concepts.
- Provide current risk adjustment information on policy and operations updates for 2013.
- Familiarize participants with the concepts and necessary steps to calculate their enrollee's risk scores using MARx reports.

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Learning Objectives



- Describe the foundation of risk adjustment.
- Identify policy updates for 2013.
- Explain updates to submission requirements.
- Describe the difference between the Type A and Type B MOR layouts.

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Learning Objectives (continued)



- Review the plan termination process.
- Explain risk score calculation components.
- Analyze reports used for risk score calculation.

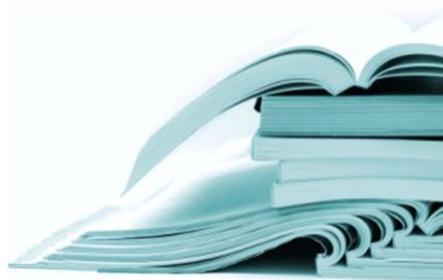
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Technical Assistance Tools



- Participant Guide
- Presentation Slides
- Resource Guide
- Risk Score Calculation Workbook
- Job Aids



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Agenda



- Introduction
- Risk Adjustment Overview and Policy Updates
- Operations Updates
- Break
- Risk Score Calculation
- Q&A Session

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Resources



Ask Risk Adjustment	www.askriskadjustment.com
Customer Service and Support Center	1-877-534-2772 www.cssoperations.com
Technical Assistance Registration Center	www.tarsc.info

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Ask Risk Adjustment



- Review Frequently Asked Questions
- Submit Questions
- Risk Adjustment Materials

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Welcome to the Ask Risk Adjustment
Web Portal



CMS Centers for **Medicare & Medicaid** Services Q search...



Home **Announcements** FAQ Submit a Question Payment Correction Evaluation Profile Help

**Welcome Tester MAO to the
Ask Risk Adjustment Web Portal**

<ul style="list-style-type: none"> <input type="checkbox"/> Announcements <input type="checkbox"/> FAQ <input type="checkbox"/> Submit a Question <input type="checkbox"/> Payment Correction 	<ul style="list-style-type: none"> <input type="checkbox"/> Evaluation <input type="checkbox"/> Profile <input type="checkbox"/> Help
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Register Today + 2012 Regional Technical Assistance + August 6-9, 2012 + Baltimore, Maryland + Session Topics: Enc

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Response Cards




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1/A 2/B 3/C
4/D 5/E 6/F
7/G 8/H 9/I
Login GO 0/J ?

ResponseCard

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I traveled to this training today via:

- A. Walking
- B. Driving
- C. Flying

Risk Adjustment

Risk Adjustment Overview and Policy Updates



Purpose

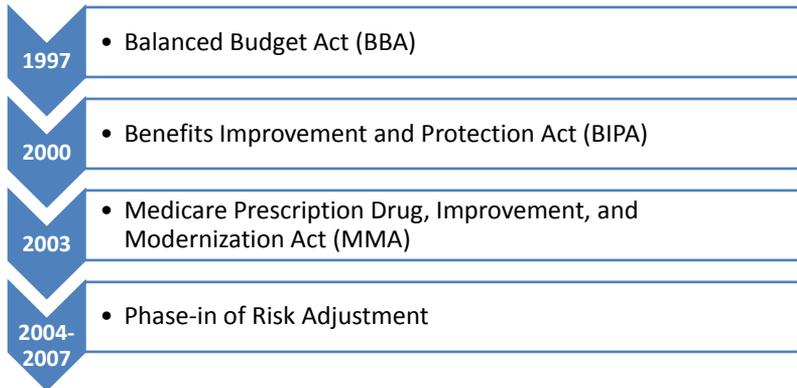
- Provide an overview of risk adjustment and updates for payment years 2012 and 2013.

Learning Objectives



- Describe the foundations of risk adjustment.
- Identify the 2012 changes to risk adjustment models.
- Describe policy updates for 2013.

History of Risk Adjustment



Risk Adjustment



- Adjusts payments based on expected health care costs.
- Uses diagnoses to predict the following year's costs.
- Incorporates demographic and disease factors.
- Promotes access and reduces adverse selection.
- Multiple models to address differences in the beneficiary population.

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What Is A 1.0 Risk Score?



- A 1.0 risk score represents average annual Medicare costs for an individual of \$7,463.14
- A risk score higher than 1.0 means the individual is likely to incur costs higher than \$7,463.14
- A risk score less than 1.0 means the individual will incur costs less than \$7,463.14

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Meaning of Risk Scores



Examples:

Average risk score of 1.0 means expected costs of \$7,463.14

Average risk score of 1.5 means expected costs of \$11,194.71 = \$ 7,463.14 * 1.5 (e.g. 50% more expensive than average)

Average risk score of 0.8 means expected costs of \$5,970.51 = \$ 7,463.14 * 0.8 (e.g., 20% less expensive than average)

How the Model Works: Disease and Demographic Groups



- Statistical model that measures incremental predicted costs associated with a person's age, gender, and diseases
- Predicted costs are heavily impacted by costs associated with chronic diseases
- Additive

Risk Adjustment Models



- CMS-HCC Model
- CMS-HCC PACE (beginning 2012)
- CMS-HCC ESRD
- RxHCC

→ **Example of CMS-HCC Model Segments:**

- Aged/Disabled Community
- Aged/Disabled Institutional
- Aged/Disabled New Enrollee
- Aged/Disabled New Enrollee Chronic SNP (2011 forward)

Scenario #1



A payment analyst is calculating enrollee risk scores and must determine which version of the model to use for an enrollee with three years of Part B enrollment and no Institutional indicator.

1. CMS-HCC ESRD
- 2. CMS-HCC Community
3. CMS-HCC Institutional

2013 Update



- Recalibration of the CMS-HCC Model
- Recalibration of the RxHCC Model
- Recalibration of Frailty Factors

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Recalibration of CMS-HCC Model



- More recent calibration data
- More accurate risk score calculation
- Some HCCs unconstrained
- Other HCCs newly constrained

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Recalibration of Rx-HCC Model



- Calibrated on 2009 data
- 2010 denominator year
- Calibrated taking 2013 gap discount into consideration

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Recalibration of Frailty Factors



ADL	FIDE SNP Factors (Non-Medicaid)	PACE Factors (Non-Medicaid)	FIDE SNP Factors (Medicaid)	PACE Factors (Medicaid)
0	-0.062	-0.062	-0.198	-0.189
1-2	0.151	0.152	0	0
3-4	0.276	0.272	0.154	0.147
5-6	0.276	0.272	0.387	0.38

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Summary



- Described the foundations of risk adjustment.
- Identified the 2012 changes to risk adjustment models.
- Described policy updates for 2013.

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Evaluation

Please take a moment to complete the evaluation form for the following module:

Risk Adjustment Overview and Policy Updates

Your Feedback is Important!
Thank you!



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Risk Adjustment Operations Updates



Purpose

- Describe recent changes in risk adjustment operations, including data collection, submission compliance, edits, and reporting.

Learning Objectives



- Explain submission requirements.
- Describe the difference between the Type A and Type B MOR layouts.
- Distinguish between the New Enrollee RAFT Codes and Default Risk Factors.
- Review the plan termination process.

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Common Risk Adjustment Terminology



ACRONYM	DESCRIPTION
FERAS	Front-End Risk Adjustment System
RAPS	Risk Adjustment Processing System
RAPS File	File layout required for submission of diagnosis clusters to RAPS
RAS	Risk Adjustment System
MARx	Medicare Advantage Prescription Drug System
MARx UI	MARx User Interface

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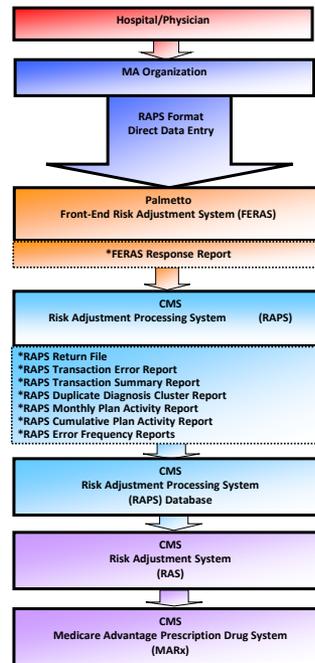
Common Risk Adjustment Terminology (continued)



TERM	DESCRIPTION
RAFT Code	The Risk Adjustment Factor Type Code, a risk factor assigned during the model run
Default Risk Factor Code	A default factor used when the risk factor is assigned after the model run
HCC	The Hierarchical Condition Category, a category of diagnoses that indicates an increase in the risk score
Interaction	The combination of multiple diagnoses or disability
Model Run	The risk adjustment model is run to calculate risk scores

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Risk Adjustment Data Flow



Model Run Timetable



Payment Year (PY)	Model Run	Date Data Due for Inclusion in Model Run	Dates of Service Included in Model Run	Payment Date for Model Run
2012	Initial	9/2/2011	7/1/2010 - 6/30/2011	January 2012
2012	Mid-Year	3/2/2012	1/1/2011 - 12/31/2011	July 2012
2012	Final Reconciliation	1/31/2013	1/1/2011 - 12/31/2011	August 2013
2013	Initial	9/7/2012	7/1/2011 - 6/30/2012	January 2013
2013	Mid-Year	3/1/2013	1/1/2012 - 12/31/2012	July 2013
2013	Final Reconciliation	1/31/2014	1/1/2012 - 12/31/2012	August 2014
2014	Initial	9/6/2013	7/1/2012 - 6/30/2013	January 2014
2014	Mid-Year	3/7/2014	1/1/2013 - 12/31/2013	July 2014
2014	Final Reconciliation	1/31/2015	1/1/2013 - 12/31/2013	August 2015

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Scenario #1



Payment beginning January 1, 2013, the initial risk factor update, is based on diagnoses that were submitted during what dates of service?

1. January 1, 2011 – December 31, 2011
2. July 1, 2010 – June 30, 2011
3. January 1, 2012 – December 31, 2012
- 4. July 1, 2011 – June 30, 2012

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Risk Adjustment Data Collection



- Health Insurance Claim (HIC) number
- Diagnosis code
- Service from date
- Service through date
- Provider type (hospital inpatient, hospital outpatient, physician)



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Scenario #2



An analyst at plan QED Health prepares a RAPS submission with procedure code G0106. This submission was rejected because:

1. The code is not specific enough
- 2. The code is not an ICD-9 code
3. The submission lacks a service through date

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Sources of Risk Adjustment Data



Data Source	Description
Hospital Inpatient	<ul style="list-style-type: none">• Provided by hospital• Requires at least one overnight stay• Within versus outside MA's network
Hospital Outpatient	<ul style="list-style-type: none">• Do not require overnight stay• Do not require institutionalization• Within versus outside MA's network• Therapeutic• Rehabilitative• Excludes Diagnostic Radiology
Physician	<ul style="list-style-type: none">• Requires a face-to-face visit with an acceptable physician specialty type

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2012 Acceptable Physician Specialty Table



- New to 2012 Acceptable Physician Specialty Table:
 - 21 Cardiac Electrophysiology
 - 23 Sports Medicine
 - C0 Sleep Medicine

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Connectivity Option Transition



- Gentran
 - This connectivity option will be phased out in December 2012
- TIBCO MFT Internet Server
 - IP transmissions over the Internet.
 - Trading Partners will use SFTP Client to transmit files to CMS
 - Next day receipt of FERAS response.

Low/No Submissions

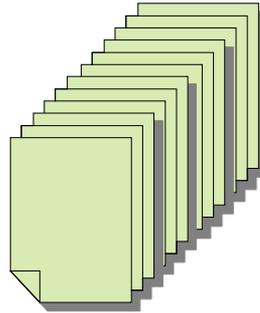


- Plans are required to submit approximately 25% of the total expected data for the year for each provider type submitted each quarter
- Lower submission may indicate a data collection issue

Duplicate Submissions



- 5% or greater duplicate diagnosis clusters is considered high and is a violation of the requirement to submit accurate data
- May result in CMS restricting future risk adjustment submissions



Avoiding Duplicate Submission



- Identify a Duplicate Diagnosis Cluster
- Review Reports
- Understand Error Resolution
- Understand Modifying Data
- Understand RAPS Processing

Submissions Compliance Issues



- May Result in:
 - Incorrect payments to MA organization;
 - Loss of monthly prospective revenue relating to beneficiary-health status;
 - Payment recovery through a lump-sum;
 - Cessation of monthly payments throughout the remainder of a coverage year; and/or
 - Adjusting payments in a subsequent year.

Scenario #3



Plan QED Health submitted eight clusters, and the following week the organization notices the date of service submitted was incorrect in one of the clusters. The organization must:

1. Submit that specific cluster with a "D" in the delete indicator field.
2. Submit a new cluster with the correct date.
- 3. Both of the above

Scenario #4



If a plan needs to submit a previously deleted diagnosis cluster, how long should they wait to resubmit?

1. Five hours
- 2. One day
3. One week

RAPS File Layout Structure



Record Level	Record Type	Description
File Header	AAA	Contains submitter and file information.
Batch Header	BBB	Contains plan and batch information.
Detail	CCC	Contains patient information and diagnosis clusters.
Batch Trailer	YYY	Contains plan and record trailer information.
File Trailer	ZZZ	Contains submitter and batch trailer information.

New FERAS Error Codes



Record Level	Error code	Description
File	109	ICD10 files not accepted at this time
Batch	214	Contract enrollment date not on file

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Scenario #5



A plan received a FERAS error code 109 for several diagnosis clusters, indicating that they submitted ICD-10 codes previous to the implementation date. They received an error because plans should not submit ICD-10 codes until:

- 1. January 1, 2013
- 2. October 1, 2014
- 3. July 1, 2014

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FERAS and RAPS Reporting



- FERAS Response Report
- RAPS Return File
- RAPS Duplicate Diagnosis Cluster Report
- RAPS Monthly Plan Activity Report
- RAPS Cumulative Plan Activity Report

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RAPS Monthly and Cumulative Plan Activity Reports



- Updated for ICD-10
- Limited to those plans with activity to report

1REPORT: RAPM0020	**ICD10**	CMS RAPS ADMINISTRATION				
PAGE: 1		RAPS CUMULATIVE PLAN ACTIVITY REPORT				
RUN DATE: 20100818						
SERVICE YEAR: 2009						
PLAN NO: H0000		FOR PERIOD ENDING JULY 31, 2010				
PROVIDER TYPE/TOTALS	JANUARY	FEBUARY	MARCH	APRIL	MAY	
PRINCIPAL INPATIENT						
TOTAL SUBMITTED	2	8	18	196	0	
TOTAL REJECTED	2	8	18	196	0	
TOTAL ACCEPTED	0	0	0	0	0	
TOTAL STORED	0	0	0	0	0	

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2012 Part C Model Output Report (MOR)



Field #	Field Name	Field Description
1	Record Type Code	1 = Header, A = Details for V12 PTC MOR, B = Details for V21 PTC MOR, 3 = Trailer

- CMS-HCC Version 12 (Type A) for MA plans
- Version 21 (Type B) for PACE and ESRD

2012 Part C MOR (continued)



Record Type Code	MOR Data....
1	H999920120625201207
A	X9999999 surname name B 012 190....
A	X9999999 surname name B 012 190....
B	X9999999 surname name B 012 190....
A	X9999999 surname name B 012 190....
B	X9999999 surname name B 012 190....
B	X9999999 surname name B 012 190....
B	X9999999 surname name B 012 190....
3	H999900000007

Type B Layout



Field Number	Field Name	Description
1	Record Type Code	Set to "B"
2	HICAN	Health Insurance Claim Account Number
3	Last Name	First 12 bytes Last Name
4	First Name	First 7 bytes of First Name
5	Beneficiary Initial	Beneficiary Initial
6	Date of Birth	Beneficiary's date of birth
7	Sex	0=unknown, 1=male, 2=female
8	SSN	Identification number assigned by the SSA.
9	RAS ESRD Indicator Switch	Y = ESRD, N = not ESRD. The beneficiary's ESRD status as of the model run. Also indicates if the beneficiary was processed by the ESRD models in the model run.

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RAS ESRD Indicator Switch



```

RUN DATE: 20120610          RISK ADJUSTMENT MODEL OUTPUT REPORT          PAGE: 1
PAYMENT MONTH: 201207      PLAN: H9999 SAMPLE MOR Report          RAPMORFI
0
HIC      NAME              FIRST      I          DATE OF    BIRTH    SEX & AGE GROUP    ESRD
-----
XXXXXXXXXB NAME          FIRST      I          19000000  Female70-74        y
HOC DISEASE GROUPS: HCC017 Diabetes with Acute Complications
                   HCC134 Dialysis Status

XXXXXXXXXB NAME          FIRST      I          19000000  Male80-84          N
Medicald Female Aged (Age<65)
HOC DISEASE GROUPS: HCC045 Disorders of Immunity
                   HCC054 Schizophrenia
                   HCC074 Seizure Disorders and Convulsions
    
```

**RAS ESRD
Indicator Switch**

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Scenario #6



A payment reconciliation analyst at QED Health pulls the July Part C MOR data file for analysis of ESRD beneficiaries. From the MOR data file, what should she pull?

1. The Type A Records
- 2. The Type B Records
3. Neither

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Scenario #7



A payment analyst at QED PACE needs to filter for beneficiaries on the MOR that are in ESRD. The plan must filter using the:

1. Type A records
2. Type B records
- 3. RAS ESRD Indicator

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Special topics include:

- New and Default Status
- Plan Termination Process

- New Enrollee RAFT Code
 - Less than 12 months of Part B in data collection period
 - RAS generated risk score
- Default Risk Factor Code
 - New enrollment after model run
 - Change in status in between model runs

New Enrollee vs. Default Codes (continued)



Default Risk Factor Code	Description	RAFT Code
1	Default/New Enrollee - Aged/Disabled	E
2	Default/New Enrollee - ESRD dialysis	ED
3	Default/New Enrollee - ESRD Transplant Kidney, Month 1	G1
4	Default/New Enrollee - ESRD Transplant Kidney, Months 2-3	G2
5	Default/New Enrollee - ESRD Post Graft, Months 4-9	E1
6	Default/New Enrollee - ESRD Post Graft, 10+Months	E2
7	Default/New Enrollee - Chronic Care SNP Enrollee	SE

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Reporting New and Default Status Enrollees



IRUN DATE: 20120610 MONTHLY MEMBERSHIP REPORT - NON DRUG PAGE: 1

PAYMENT MONTH: 201207 PLAN(H9999) PBP(001) SEGMENT(000) SAMPLE REPORT

REBATES														
BASIC PREMIUM		COST SHR REDUC	MAND SUPP BENEFIT	PART D SUPP BENEFIT	PART B BAS PRM REDUC	PART D BAS PRM REDUC								
PART A	\$0.00	\$00.00	\$0.00	\$0.00	\$0.00	\$0.00								
PART B	\$0.00	\$00.00	\$0.00	\$0.00	\$0.00	\$0.00								
PAYMENTS/ADJUSTMENTS														
CLAIM NUMBER	E AGE STATE	PP	MF	AD	S	CMTHS	PAYMENT DATE	LAG	FTYPE	---FACTORS---	AMOUNT			
X GRP CNTY	AAHEI	CR	ODE	EE	OM					FRAILITY-SCORE	MSP			
SURNAME	F	DMG	BIRTH	OT	TS	RS	SH	II	EO	AH	RS	AA		
I RA DATE	AA	BP	DT	CD	LC	NU	PC	PI						
111111111A	M	0085	12345				1 1	201207	201207		\$0.00			
C	8085	19281008	YY	1	N	0	2	D	N	1.7230	1.7230	\$611.37	\$551.36	\$1162.73
22222222A	F	6064					1 1	201207	201207	C	0.073	\$0.00		
L	6064	19481027	YY		Y	Y	0	B	N	2.4600	2.4600	\$873.30	\$787.20	\$1660.50

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Scenario #8



A payment analyst at Plan QED Health is calculating a risk score for a female beneficiary aged 73, with a Default Code '2'. The New Enrollee RAFT code that should be assigned at the next model run is:

1. E2
2. SE
- 3. ED

Plan Termination Process



- Plan submits data as quickly as possible
- Access to MARx is removed
- Final settlement with reports sent to plans
- Final payments reconciled



Plan Responsibilities



- Give CMS notice at least 90 days before the intended date of termination;
- Give enrollees a CMS-approved notice at least 60 days before the proposed termination effective date; and
- Notify the public at least 60 days before the termination effective date.

Summary



- Explained submission requirements.
- Described the difference between the Type A and Type B MOR layouts.
- Distinguished between the New Enrollee RAFT Codes and Default Risk Factors.
- Reviewed the plan termination process.



Evaluation

Please take a moment to complete the evaluation form for the following module:

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Your Feedback is Important!
Thank you!

Risk Adjustment Risk Score Calculation



Purpose

- Demonstrate how CMS performs the risk score calculation by using complex examples so plans will have an understanding of calculating risk scores in various scenarios based on the payment year and beneficiary characteristics.

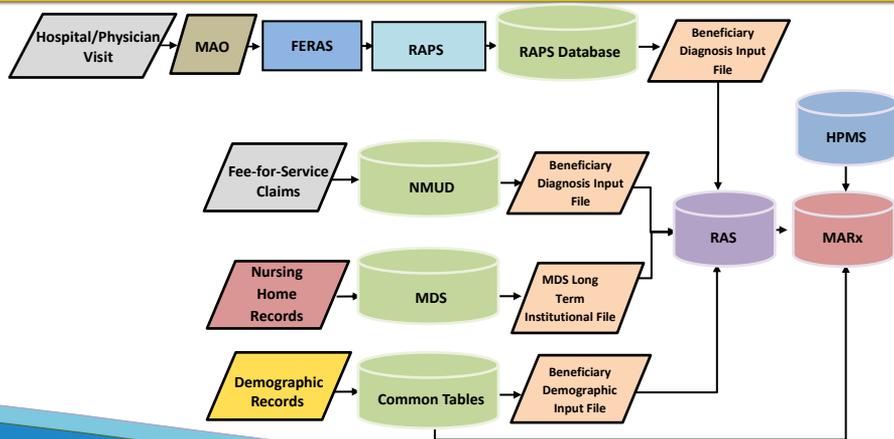
Learning Objectives



- Describe the sources and flow of risk adjustment data.
- Retrieve demographic and diagnostic information from reports.
- Calculate risk scores.

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Risk Adjustment Data Processing Flow



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Part C Risk Score Calculation Process



1. Retrieve reports
2. Pull necessary demographic and disease information
3. Pull necessary relative factors based on demographics and disease information
4. Perform necessary calculation

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Demographic Data



- Age
- Sex
- Medicaid
- Original Reason for Entitlement
- Frailty
- Part C Long Term Institutional

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Demographics on MMR Scenario #1



```

1RUN DATE:20120610
PAYMENT MONTH:201207
0
          BASIC PREMIUM |
PART A      $0.00      |
PART B      $0.00      |
0           S
CLAIM      E AGE STATE
NUMBER     X GRP CNTY
-----
          SURNAME F   DMG BIRTH
                   I   RA  DATE
-----
999456789A  M 8084 12345
EXAMPLE F   8084
19281008
    
```

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Flags on MMR for Scenario #1



```

-----
          FLAGS
-----
P P          M F   A D   S   C
A A H E I   C R O D E E O M
O R R O S N N A A R D F G U M C
O T T S R S H I I E O A H R S A
A A B P D T C D L C N U P C P I
-----
Y Y          0           D   N
    
```

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RAFT Codes and Default Risk Factor Codes



- Appear on MMR Data File
 - RAFT codes - Field 47
 - Default Factor codes - Field 23
- RAFT codes describe the model and segment used to calculate a beneficiary's risk score
- Default factor codes used when RAFT code is not assigned

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RAFT and Frailty Factor on MMR



MONTHLY MEMBERSHIP REPORT - NON DRUG
PLAN (H9999) PBP (001) SEGMENT (000) SAMPLE REPORT

REBATES -----

M REDUC								
	\$0.00			\$0.00				\$0.00
	\$0.00			\$0.00				\$0.00

PAYMENTS/ADJUSTMENTS -----

MTHS	PAYMENT	DATE	LAG	FTYPE	FACTORS	AMOUNT
A B	START	END			FRAILTY-SCORE	MSP MSP
PIP	ADJ					
DCG	REA	FCTR-A	FCTR-B	PART A	PART B	TOTAL PAYMENT
1	1	201207	201207	C		\$0.00
		1.5050	1.5050	\$564.37	\$519.23	\$1083.60

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Scenario #1 – Demographics



Age:	80-84
Sex:	M
Medicaid:	<blank>
OREC:	0
Frailty Indicator:	<blank>
Part C LTI:	<blank>
RAFT Code:	C

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HCC Relative Factors and Interactions



- HCCs
- Hierarchies
- Interactions
- Graft Factors (if applicable)

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Scenario #1 – HCCs and Model



HCCs from MOR:	10, 19, 38, 131
Payment Year:	2012
Risk Adjustment Model:	2009 CMS-HCC

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Normalization and Coding Adjustment



- Adjustments keep the average risk score = 1.0
- Adjusts for the growth in risk scores due to trends in population and diagnostic coding between the denominator year and the payment year
- Corrects for coding changes
- Published annually in Payment Announcement

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Model Factors for Scenario #1



Payment Year	Model/Segment	Normalization Factor	Coding Intensity Adjustment	Announcement Year for Relative Factors
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

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Scenario #1 – Model Factors



Normalization Factor:	1.079
Coding Intensity Factor:	0.0341
Frailty Factor:	0

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Demographic Coefficients for Scenario #1



- Age/sex factor
- Medicaid factor
- Disability factor

Variable	Disease Group	Community Factors	Institutional Factors
Male			
0-34 Years		0.120	1.030
35-44 Years		0.164	0.871
45-54 Years		0.217	0.871
55-59 Years		0.249	0.978
60-64 Years		0.389	1.015
65-69 Years		0.328	1.221
70-74 Years		0.413	1.154
75-79 Years		0.517	1.143
80-84 Years		0.597	1.087
85-89 Years		0.692	1.001
90-94 Years		0.834	0.932
95 Years or Over		0.980	0.743
Medicaid and Originally Disabled Interactions with Age and Sex			
Medicaid Female Aged			
Medicaid Female Disabled	80-84 Years		0.597
Medicaid Male Aged		0.166	0.091
Medicaid Male Disabled		0.077	0.091
Originally Disabled Female		0.204	0.023
Originally Disabled Male		0.168	0.023

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Scenario #1 – Demographic Factors



	Status	Factor
Age/Sex Factor:	M 80-84	0.597
Medicaid Factor:	<Blank>	0
Disability Factor:	0	0

Sum of Demographic Coefficients: 0.597

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Factors for Scenario #1 HCCs



Variable	Disease Group	Community Factors	Institutional Factors
HCC10	Breast, Prostate, Colorectal and Other Cancers and Tumors	0.208	0.182
HCC19	Diabetes without Complication ¹	0.162	0.248
HCC38	Rheumatoid Arthritis and Inflammatory Connective Tissue Disease	0.346	0.215
HCC131	Renal Failure	0.368	0.388

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Scenario #1 – HCCs



	HCCs	Relative Factors
Disease HCCs:	<u>10</u>	<u>0.208</u>
	<u>19</u>	<u>0.162</u>
	<u>38</u>	<u>0.346</u>
	<u>131</u>	<u>0.368</u>
Sum of Disease Coefficients:	<u>1.084</u>	

Risk Score Calculation
2012 Regional Technical Assistance

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Scenario #1 – Calculations



$$\begin{aligned} \text{Raw Risk Score} &= 0.597 + 1.084 = \underline{1.681} \\ \text{Normalized Score} &= \frac{1.681}{1.079} = \underline{1.5579} \\ \text{Round} &= \underline{1.558} \\ \text{Coding Intensity} &= \frac{1.558}{1.0341} * (1-0.0341) = \underline{1.5048} \\ \text{Round} &= \underline{1.505} \\ \text{Risk Adjusted Payment} &= \underline{1.505} * \$720.00 = \underline{\$1,083.60} \end{aligned}$$

Risk Score Calculation
2012 Regional Technical Assistance

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Risk Score Calculation Scenarios



Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #2 Demographics



Age:	60-64
Sex:	F
Medicaid:	Y
OREC:	1
Frailty Indicator:	Y
Part C LTI:	<blank>
RAFT Code:	C

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #2 HCCs and Model



HCCs from MOR:	51, 57
Payment Year:	2012
Risk Adjustment Model:	2012 CMS-HCC PACE

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #2 Model Factors



Normalization Factor:	1.051
Coding Intensity Factor:	0.0341
Frailty Factor:	0.083

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #2 Demographic Factors



	Status	Factors
Age/Sex Factor:	<u>F 60-64</u>	<u>0.416</u>
Medicaid Factor:	<u>1</u>	<u>0.104</u>
Disability Factor:	<u>1</u>	<u>0</u>

Sum of Demographic Coefficients: 0.520

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #2 HCCs



	HCCs	Factors
Disease HCCs:	<u>51</u>	<u>0.616</u>
	<u>57</u>	<u>0.471</u>
Sum of Disease Coefficients:	<u>1.087</u>	

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #2 Calculations



Raw Risk Score =	<u>0.520</u>	+	<u>1.087</u>	=	<u>1.607</u>
Normalized Score =	<u>1.607</u>	/	<u>1.051</u>	=	<u>1.5290</u>
Round =	<u>1.529</u>				
Coding Intensity =	<u>1.529</u>	*	<u>(1-0.0341)</u>	=	<u>1.4768</u>
Round =	<u>1.477</u>				
With Frailty Factor =	<u>1.477</u>	+	<u>0.083</u>	=	<u>1.560</u>
Risk Adjusted Payment =	<u>1.560</u>	*	<u>\$720.00</u>	=	<u>\$1,123.20</u>

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #3 Demographics



Age:	70-74
Sex:	F
Medicaid:	Y
OREC:	3
Frailty Indicator:	<blank>
Part C LTI:	Y
RAFT Code:	I2

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #3 HCCs and Model



HCCs from MOR:	17, 85, 111, CHF_COPD DIABETES_CHF
Payment Year:	2013
Risk Adjustment Model:	2012 ESRD Functioning Graft Institutional

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #3 Model Factors



Normalization Factor:	1.070
Coding Intensity Factor:	0.0341
Frailty Factor:	0

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #3 Demographic Factors



	Status	Factor
Age/Sex Factor:	<u>F 70-74</u>	<u>0.947</u>
Medicaid Factor:	<u>1</u>	<u>0.126</u>
Disability Factor:	<u>3</u>	<u>0.026</u>

Sum of Demographic Coefficients: 1.099

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #3 HCCs



	HCCs	Factors
Disease HCCs:	<u>17</u>	<u>0.434</u>
	<u>85</u>	<u>0.226</u>
	<u>111</u>	<u>0.323</u>
	<u>CHF_COPD</u>	<u>0.159</u>
	<u>DIABETES_CHF</u>	<u>0.143</u>
	<u>Graft Factor</u>	<u>1.268</u>
Sum of Disease Coefficients:	<u>2.553</u>	

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #3 Calculations



$$\begin{aligned}
 \text{Raw Risk Score} &= 1.099 + 2.553 = \underline{3.652} \\
 \text{Normalized Score} &= \underline{3.652} / 1.070 = \underline{3.4130} \\
 \text{Round} &= \underline{3.413} \\
 \text{Coding Intensity} &= \underline{3.413} * (1-0.0341) = \underline{3.2966} \\
 \text{Round} &= \underline{3.297} \\
 \text{Risk Adjusted Payment} &= \underline{3.297} * \$720.00 = \underline{\$2,373.84}
 \end{aligned}$$

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #4 Demographics



Age:	65
Sex:	F
Medicaid:	<blank>
OREC:	<blank>
Frailty Indicator:	<blank>
Part C LTI:	<blank>
Default Risk Code:	1

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #4 HCCs and Model



HCCs from MOR:	<blank>
Payment Year:	2013
Risk Adjustment Model	2013 CMS-HCC

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #4 Model Factors



Normalization Factor:	1.028
Coding Intensity Factor:	0.0341
Frailty Factor:	0

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #4 Demographic Factors



	Status	Factors
Age/Sex Factor:	<u>F 65-65</u>	<u>0.504</u>
Medicaid Factor:	<u>0</u>	<u>0</u>
Disability Factor:	<u>0</u>	<u>0</u>

Sum of Demographic Coefficients: 0.504

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #4 HCCs



	HCCs	Factors
Disease HCCs:	<u>none</u>	<u>0.000</u>
Sum of Disease Coefficients:		<u>0.000</u>

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #4 Calculations



Raw Risk Score =	<u>0.504</u>	+	0	=	<u>0.504</u>
Normalized Score =	<u>0.504</u>	/	1.028	=	<u>0.4902</u>
Round =	<u>0.490</u>				
Coding Intensity =	<u>0.490</u>	*	(1-0.0341)	=	<u>0.4732</u>
Round =	<u>0.473</u>				
Risk Adjusted Payment =	<u>0.473</u>	*	\$720.00	=	<u>\$340.56</u>

Risk Score Calculation
2012 Regional Technical Assistance

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Part D Risk Score Calculation



1 RUN DATE: 20130617 MONTHLY MEMBERSHIP REPORT - DRUG PAGE: 1
 PAYMENT MONTH: 201307 PLAN (X9999) PBP (001) SEGMENT (001) SAMELE REPORT
 0 BASIC PREMIUM \$ ESTIMATED REINSURANCE
 PART D \$25.00 \$0.00

CLAIM NUMBER	S	E AGE STATE	X GRP CNTY	P P S L L D C ADJ RA FCTR	P P S L L D C ADJ RA FCTR	D A T E S	P A Y M E N T S / A D J U S T M E N T S					
							START	END	SHARING PERCENTAGE	LOW-INCOME COST	LOW-INCOME COST	SHARING SUBSIDY
XXXXXXXXXA	F	8084	12345			0.1110	201207	201207	000	\$0.00	\$0.00	\$111.11
GREEN	P	8084	19310213	Y Y N B N	N N	1			\$111.11	\$0.00	\$0.00	\$111.11

Risk Score Calculation
 2012 Regional Technical Assistance

Demographics



- Age/Sex
- Community vs. Institutional status
- Low Income status
- Disability

Risk Score Calculation
 2012 Regional Technical Assistance

Part D RAFT 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

Risk Score Calculation
2012 Regional Technical Assistance

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Normalization



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

Raw Risk Score/Normalization Factor = Normalized Risk Score

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #5 Demographics



Age:	80-84
Sex:	F
Disability:	Y
LTI:	<blank>
Low Income:	<blank>
Part D RAFT Code:	D1

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #5 RxHCCs and Model



RxHCCs from MOR:	11, 23, 87, 89
Payment Year:	2013
Risk Adjustment Model:	2013 RxHCC Continuing Enrollee

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #5 Model Factors



Normalization Factor:	1.034
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Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #5 Demographic Factors



	Status	Factors
Age/Sex Factor:	<u>F 80-84</u>	<u>0.404</u>
Disability Factor:	<u>Y</u>	<u>0.070</u>

Sum of Demographic Coefficients: 0.474

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #5 RxHCCs



	RxHCCs	Factors
Disease HCCs:	<u>11</u>	<u>0.031</u>
	<u>23</u>	<u>0.104</u>
	<u>87</u>	<u>0.163</u>
	<u>88</u>	<u>0.155</u>
Sum of Disease Coefficients:		<u>0.453</u>

Risk Score Calculation
2012 Regional Technical Assistance

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Workbook Scenario #5 Calculations



$$\begin{aligned} \text{Raw Risk Score} &= 0.474 + 0.453 = \underline{0.927} \\ \text{Normalized Score} &= \underline{0.927} / 1.034 = \underline{0.8965} \\ \text{Round} &= \underline{0.897} \\ \text{Risk Adjusted Payment} &= \underline{0.897} * \$120.00 = \underline{\$107.64} \end{aligned}$$

Risk Score Calculation
2012 Regional Technical Assistance

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Summary



- Described the sources and flow of risk adjustment data.
- Retrieved demographic and diagnostic information from reports.
- Calculated risk scores.

Summary
2012 Regional Technical Assistance

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2012 Regional Technical Assistance



Evaluation

Please take a moment to complete the evaluation form for the following module:

Risk Score Calculation

Your Feedback is Important!
Thank you!



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