

2007/08

Risk Adjustment User Group



February 2008
Meeting Notes

Meeting Date: February 13, 2008

Meeting Time: 1:30 p.m. – 2:30 p.m. EST

In Attendance:

Panelists: Henri Thomas, Sean Creighton, Louis Johnson, Lateefah Hughes, Chanda McNeal, Joyce Pedigo, Sheila Young, and Tiffany Valery.

(Participants should reference the PowerPoint slides when reviewing the notes from the User Group Session.)

Topics:

Payment Process

Reconciliation of Part D Risk Adjustment Model (RxHCC)/Direct Subsidy

CMS conducts the final reconciliation of the Part D Risk Adjustment Model (also known as Direct Subsidy Reconciliation) following calculation of the final risk scores for Part D. CMS calculates the risk scores for Part C and D at the same time. Risk Scores then go to the payment system to calculate the final reconciliation of the direct subsidy amounts for a given year. The direct subsidy is part of Part D payment.

The definition for the calculation of Direct Subsidy is the risk score multiplied by the plan bid minus the enrollee premium. At reconciliation, the system determines the amount CMS paid plans for Direct Subsidy and the amount the plan paid out for the base Part D benefit during the year. The Payment Reconciliation System (PRS) uses the reconciled Direct Subsidy amount when calculating Reinsurance Subsidy, Low-Income Subsidy (LIS), and Risk Corridors.

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HCC Model Coefficients

The HCC model coefficients represent the categorization of ICD-9-CM codes into separate groups of clinically related diagnosis codes that are further transformed into numbers or relative factors. These numbers or relative factors represent the predicted costs attributable to a disease, variable, or item in the model relative to 1.0 (i.e., the predicted average cost for a Medicare beneficiary). The 1.0 is the result of summing all the coefficients for every person and dividing by the number of people in the population.

For example, if a coefficient for a disease is 0.5, then the coefficient is half the total average predicted cost for a Medicare beneficiary for the following year. If the predicted average cost for a Medicare beneficiary is \$10,000 for Part A/B benefits, then the predicted cost for that disease is $\$10,000 \times 0.5$ equaling \$5,000.

Data Validation

Calendar Year (CY) 2007

The final submission deadline was January 31, 2008. CMS will run the final reconciliation for 2007 and use the final data to determine the sampling for 2007 Data Validation selections. CMS will begin sampling around April 2008 and notify selected plans around June 2008.

CY 2006

CY 2006 medical record review is in progress. The Initial Validation Contractor (IVC) completed the first-level review and submitted the discrepancies to the

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Second Validation Contractor (SVC) for the second-level review for confirmation. Plans should no longer submit medical records to the IVC for CY 2006 validation. Missing medical records or records not submitted for specific condition categories are included when determining the final estimated payment errors.

CY 2005

CMS anticipates disseminating CY 2005 medical record review findings and payment instructions to the selected MA organizations by mail, in late February 2008. CMS will schedule a teleconference call with the plans following distribution of the findings. Contact Mary Guy at mary.guy@cms.hhs.gov with questions about CY 2005 Data Validation.

Operations Update

408/409 Errors

CSSC explained the options for resolving 408 and 409 errors in relationship to the enrollment information in MARx.

- ▶ If a plan receives 408 or 409 errors and determines the enrollment information in MARx is correct, then the plan received the edit code correctly for the beneficiary and there is no action to take on the part of the plan.
- ▶ If a plan receives 408 or 409 errors and determines the enrollment information in MARx is not correct, then the plan should contact their CMS Regional Office Plan Manager for resolution.

Plans can also check the Monthly Membership Report to determine when a beneficiary enrolled or disenrolled from the plan.

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Cumulative 502 Error Percentage Rate

All files submitted per plan during a week (Monday-Friday) per contract number are grouped together to obtain the benchmark. Benchmarks are determined at the plan-level not on the file-level. Therefore, if a plan submits more than one contract number in a file, each contract will receive a cumulative error rate.

The calculation for determining the cumulative 502-error percentage rate is:

$$\frac{\text{Total number of 502-errors received per contract number}}{\text{Total number of diagnosis codes submitted per contract number}} = \text{Cumulative 502-error percentage rate}$$

Submission Schedule

Plans can refer to the following table for submission deadlines for payment years 2008 and 2009. Plans can print the schedule, keep it available, and use as a tool for reminding providers to submit data in a timely manner.

RISK ADJUSTMENT SUBMISSION SCHEDULE				
CY	Dates of Service	Initial Submission Deadline	First Payment Date	Final Submission Deadline
2008	July 1 2006 – June 30, 2007	September 7, 2007	January 1, 2008	N/A
2008	January 1, 2007 – December 31, 2007	March 7, 2008	July 1, 2008	January 31, 2009
2009	July 1, 2007 – June 20, 2008	September 5, 2008	January 1, 2009	N/A
2009	January 1, 2008 – December 31, 2008	March 6, 2009	July 1, 2009	January 31, 2010

Holiday Observance

CMS informed participants that the Federal Government would close in observance of President's Day on Monday, February 18, 2008.

However, CSSC Operations will remain open on Monday, February 18, 2008.

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CMS Operations Update

Diagnostic Radiology

CMS will not accept medical records for diagnostic radiology regardless of the type of bill (outpatient department or physician component) as support for data submission of a diagnosis. CMS recommends plans locate the medical record from the referring physician and determine if the diagnosis in question is based on the physician's documentation in the medical record.

Technical Assistance Update

Monthly Technical Assistance Sessions

The Monthly Technical Assistance Schedule includes:

- ▶ Risk Adjustment – Wednesday, February 27, 2008
- ▶ Enrollment and Payment – Wednesday, March 26, 2008
- ▶ Coming soon – dates for the April session

To register for Monthly Technical Assistance Sessions, individuals can go to www.tarsc.info.

Regional Technical Assistance Sessions

Registration for the Regional Technical Assistance Sessions opens in March 2008. Continue to check the Technical Assistance Registration Center at www.tarsc.info for additional information.

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Technical Assistance Registration Service Center

Individuals can locate the User Group Schedule, technical assistance, and resource information on the Technical Assistance Registration Service Center website at www.tarsc.info.

Next User Group meeting scheduled for Wednesday, *March 12, 2008*, at 1:30 pm EST.

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