

Risk Adjustment Payment Reconciliation Answer Key

Scenario 1A - Answer is 1.053 (Slide 10)

- 74-year old female
- Resides in the community
- Diagnoses submitted (4296 and 70710)
- Standardized bid = \$400
- County Intra-Service Area Adjustment (ISAR) Factor = .78
- Beneficiary premium = \$35

Base Factor

Include gender, age, Medicaid, and Disability as applicable

Determine HCCs

Diagnosis Code 4296 = HCC81 Acute Myocardial Infarction

Diagnosis Code 70710 = HCC149 Chronic Ulcer of Skin, Except Decubitus

	Risk Adjustment Factors (Coefficients)
Base Factor	
Female, 74	0.368
Diagnostic Factor	
HCC81 Acute Myocardial Infarction	0.359
HCC149 Chronic Ulcer of Skin, Except Decubitus	0.449
Total Raw Risk Score	1.176

Calculate the Raw Risk Score

Determine the Base Factors and the Diagnostic Factors. The models are additive, so after identifying each of the coefficients associated with the beneficiary demographics and health status (HCC), sum the weights to derive a **raw** risk score.

Apply the Normalization Factor and MA Coding Intensity

Normalization Factor for 2012 = 1.079

$$\boxed{1.176} \div \boxed{1.079} = \boxed{1.089898054} \text{ (Round) } \boxed{1.090}$$

Coding Intensity Factor for 2012 = 0.0341

$$\boxed{1.090} \times \boxed{1-0.0341 \text{ (or .9659)}} = \boxed{1.052831} \text{ (Round) } \boxed{1.053}$$

NOTE: Coding intensity adjustment does not apply to the CMS-HCC Dialysis (including the Dialysis New Enrollee model), Transplant, or Part D (RxHCC) models.

What is the Final Risk Score =

Scenario 1B - Answer is \$293.54 (Slide 11)

What is the total monthly payment for the beneficiary?

Calculate the Plan's Monthly Payment

Standardized ("1.0") A/B bid = \$400

- Premium = \$35 (Plan's bid above benchmark; therefore, premium applied)
- The plan's county ISAR factor = 0.78
- The risk factor = 1.053

Standardized Bid * ISAR Factor = plan-specific county payment rate for this plan

$$\boxed{\$400} \times \boxed{0.78} = \boxed{\$312.00}$$

Plan-Specific County Payment Rate * Risk Score +/- premium or rebate = Monthly Payment for this beneficiary

$$\left(\boxed{\$312.00} \times \boxed{1.053} \right) - \boxed{\$35.00} = \boxed{\$293.54}$$

Scenario 2 - Answer is E, E, E, C (Slide 14)

If a beneficiary turned 65 in October 2010, enrolled in Part B, and resides in the community, what would the factor code be for: Initial 2011?, Midyear 2011?, Initial 2012?, Midyear 2012?

The beneficiary would see an “E” at the Initial 2011 run, Mid-year 2011, and the Initial 2012, and “C” at the Mid-year 2012 run. Based on the beneficiary entering Medicare in October 2010, they will not have 12 months of Medicare Part B in the data collection year for July to June by the time of the Initial model run for 2011. And, for the Mid-Year, the beneficiary still will not have 12 months in either the July to June or the January to December data collection years. Same goes for the Initial 2012. By the time of the mid-year 2012, they will have a full 12 months of Medicare Part B in the data collection year.

Scenario 3 – Answers in Table (Slide 33)

Given the data provided in the table, would the plan receive a 2008 Final Reconciliation payment for each of these members? Why or Why not?

HIC#	Last Name	First Initial	8/2009 MMR Reported Risk Score	ARC 25 (Y/N)	Reconciliation or Prospective Risk Score	Enrollment in Plan	Would plan receive 2008 Final Reconciliation Payment? Why?
123456789A	Doe	J	1.348	N ARC - blank	Prospective risk score	Disenrolled in 2/2007 and reenrolled in 1/2009	No Reenrolled in plan in 2009 which is why beneficiary appears on 8/2009 MMR for prospective payment Not in plan during 2008 payment year, therefore no reconciliation payment
998877665A	Blue	G	not on MMR			Disenrolled in 2/2007 DOD 5/30/2008	No Not in plan during 2008 payment year, therefore no reconciliation payment
001122334A	Green	B	1.182	Y Also ARC 37	Part C Reconciliation risk score Part D Reconciliation risk score	Disenrolled in 3/2007 and reenrolled in 1/2008	Yes Beneficiary reenrolled in plan in 2008, which means member was in plan in 2008 payment year Therefore, there is a reconciliation payment Not enrolled in 2009, so no prospective risk score on MMR
987654321B	Smith	J	not on MMR			Disenrolled in 4/2007	No Not in plan during 2008 payment year, which is why no reconciliation payment