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**Date:** April 25, 2019

**Subject:** Proposed Updates to the 2018 Benefit Year HHS-Risk Adjustment Data Validation (HHS-RADV) Timeline

As set forth in the HHS Notice of Benefit and Payment Parameters for 2020 (2020 Payment Notice),<sup>1</sup> the Centers for Medicare & Medicaid Services (CMS) finalized a policy delaying the reporting, collection, and payment of the adjustments to 2018 risk adjustment (RA) transfers resulting from the 2017 benefit year HHS-RADV. The purpose of that policy is to relieve issuers of the task of trying to estimate these transfers without sufficient information with the goal of reducing pricing uncertainty that could result in increased premiums. Additionally, this policy will provide issuers with more options to account for HHS-RADV impacts in their rates. Lastly, delaying collection and payment of HHS-RADV adjustments will also allow more time for HHS to work to resolve any risk adjustment data validation appeals prior to the transfer of funds related to such adjustments.

In addition to providing issuers additional time to account for HHS-RADV adjustments, we noted in the 2020 Payment Notice that we were also considering options to extend the timeline for conducting and completing the HHS-RADV processes. We indicated we would seek input on an updated HHS-RADV timeline for the initial and second validation audits for the 2018 benefit year and beyond to provide more time for medical record collection during the initial validation audits and more time for the completion of the second validation audits.

We note that no change is being made to the April 30, 2019 deadline for submitting the 2018 Benefit Year Risk Adjustment (RA) External Data Gathering Environment (EDGE) server data<sup>2</sup>. We also are not proposing changes to the initial steps in the HHS-RADV process, including the timeframe for an issuer to select and designate their IVA Entity, for notification of how to complete the HHS-RADV Issuer Exemption and DDVC Web Form, or the window for receiving HHS-RADV samples.

Below we set forth the proposed updates to the 2018 benefit year HHS-RADV timeline. We hope that providing the proposed two extra months to complete the initial validation audit (IVA) will help address prior feedback about HHS-RADV, specifically related to issuers' and IVA entities' ability to collect and review medical records. Additionally, the 2018 benefit year will be the first year of prescription drug category (RXC) validation,<sup>3</sup> which is a new process for issuers

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<sup>1</sup> See <https://s3.amazonaws.com/public-inspection.federalregister.gov/2019-08017.pdf>.

<sup>2</sup> See 45 CFR 153.730.

<sup>3</sup> As detailed in the 2020 Payment Notice, we will pilot the incorporation of RXCs into the HHS-RADV process for the 2018 benefit year.

and IVA entities and will require the submission of additional data elements from issuers' source systems. This extra time will also allow for additional review of audit submissions between IVA entities and issuers prior to the submission of IVA findings (Package 1). The extra proposed time to complete the IVA results in a proposed move of the deadlines for submission of IVA findings (Package 1) and the second validation audit (SVA) subsample medical records (Package 2) from early January to early March, thus providing IVA entities more time to review and prepare for submission after the winter holiday season. The proposed timeline also provides more time for the SVA entity to complete its review, which also includes the new process for RXC validation, and communicate those findings to issuers.

In addition, while these results will be subject to change, we also propose to provide issuers preliminary national benchmark results, using IVA results only, after the submission of all IVA results, so that issuers have preliminary information in advance of final results.

If you have any questions or wish to submit comments on the proposed updates to the 2018 benefit year HHS-RADV timeline, please email CMS at:

[CCIIOACARADATAVALIDATION@cms.hhs.gov](mailto:CCIIOACARADATAVALIDATION@cms.hhs.gov) **on or before Friday, May 10, 2019.**

<b>Proposed Updated 2018 Benefit Year HHS-RADV</b>		
<b>Proposed Date</b>	<b>Previous Date</b>	<b>Activities and Descriptions</b>
<b>Now</b>	No Change	Issuers contractually select IVA Entities for 2018 Benefit Year HHS-RADV
<b>April 15, 2019</b>	No Change	Issuers begin designating IVA Entities within the HHS-RADV Audit Tool
<b>Mid/Late May 2019</b>	No Change	<ul style="list-style-type: none"> <li>. CMS deploys HHS-RADV preliminary sampling command to EDGE servers. Issuers should execute the command by the designated date.</li> <li>. Sampling Reports are provided to CMS for validation. Reports are NOT available to issuers.</li> <li>. CMS notifies and instructs how to complete the 2018 Benefit Year HHS-RADV Issuer Exemption and DDVC Web Form selected issuers with \$15 million or less in total premiums statewide of their exemption from 2018 benefit year HHS-RADV IVA (and SVA) requirements and CMS notifies all issuers with 500 or fewer billable member months statewide of their exemption from 2018 benefit year HHS-RADV IVA (and SVA) requirements.</li> <li>. CMS deploys final HHS-RADV command to EDGE servers for release to issuers.</li> <li>. The 15 day HHS-RADV sample discrepancy window opens after final HHS-RADV command is released.</li> </ul>

<b>Proposed Updated 2018 Benefit Year HHS-RADV</b>		
<b>Proposed Date</b>	<b>Previous Date</b>	<b>Activities and Descriptions</b>
<b>Late May 2019</b>	No Change	2018 Benefit Year HHS-RADV Protocols are released
<b>June 2019 – February 2020</b>	June 2019-Jan 2020	Issuers' IVA entities conduct the IVA
<b>March 2, 2020</b>	January 9, 2020	IVA Entities submit Package 1 audit findings and issuer signoff is due. CMS closes the window for the 2018 Benefit Year HHS-RADV audit submission of Package 1.
<b>March 16, 2020</b>	January 16, 2020	IVA Entities submit sampled enrollees' medical records (Package 2) to CMS for the SVA subsample and issuer signoff is due.
<b>April 2020</b> (exact date to be determined)	New	CMS provides preliminary national benchmarks for 2018 Benefit Year HHS-RADV based on IVA results only (tentative)
<b>Mid-March – Mid-August 2020</b>	January 2020 - March 2020	CMS's SVA entity conducts the SVA(s)
<b>Late August 2020</b>	March 2020	2018 Benefit Year HHS-RADV Summary of Final Pairwise Results – HIOS ID(s) with Sufficient and Insufficient Agreement are released to issuers
<b>Late August 2020 to Late September 2020</b>	March-April 2020	2018 Benefit Year SVA Findings Report Attestation and Discrepancy Reporting for HIOS ID(s) with Insufficient Agreement (exact date to be determined) <b>(30 day discrepancy window)</b> occurs
<b>Late September 2020</b> (exact date to be determined)	May 2020	2018 Benefit Year Final Results Report Suite (includes final pre-appeal results memo of national HCC failure rate and error rate results, and issuer- and enrollee-level results) is released
<b>Late September 2020 to Late October 2020</b>	May-June 2020	2018 Benefit Year HHS-RADV Error Rate Calculation Discrepancy period <b>(30 day discrepancy window)</b> occurs
<b>November 30, 2020</b>	August 3, 2020	Summary Report of 2018 Benefit Year Risk Adjustment Data Validation Adjustments to 2019 Benefit Year Risk Adjustment Transfers (including default data validation charge (DDVC) notifications and DDVC payment allocation notifications) is released

<b>Proposed Updated 2018 Benefit Year HHS-RADV</b>		
<b>Proposed Date</b>	<b>Previous Date</b>	<b>Activities and Descriptions</b>
<b>December 2020</b>	August 3, 2020	2018 Benefit Year SVA Findings Report Reconsiderations and Error Rate Methodology Reconsiderations period ( <b>30 day reconsideration window</b> ) occurs