

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: April 27, 2022

TO: Selected Fully Integrated Dual Eligible (FIDE) Special Needs Plans (SNPs)

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: 2022 Frailty Scores and 2021 Health Outcomes Survey (HOS) or Health Outcomes Survey Modified (HOS-M) Activities of Daily Living (ADLs) Results

In February 2021, CMS invited Medicare Advantage Organizations (MAOs) that expected to sponsor a fully integrated dual eligible special needs plan (FIDE SNP) in PY 2022 to participate in the 2021 Medicare Health Outcomes Survey (HOS) or Health Outcomes Survey – Modified (HOS-M) (see HPMS memo entitled “Participation in 2021 HOS/HOS-M for MA Organizations Planning to Sponsor FIDE SNPs in 2022 – Response Needed by Friday, February 26, 2021”). MAOs that expected to sponsor a FIDE SNP in 2022 and wanted to be considered for a frailty payment were required to make their selection to participate in either the HOS or HOS-M by February 26, 2021.

The purpose of this memo is to inform MAOs that requested to participate in the 2021 HOS or HOS-M at the plan benefit package (PBP) level that the frailty scores have been posted to the risk adjustment module in HPMS under “Survey Results for Frailty Adjustment.” For qualifying plans, CMS adds each plan’s frailty score to the risk score of non-ESRD, community residing enrollees aged 55 and over when calculating payment. In certain cases where a plan requested to field the HOS-M, depending on the availability of enrollees to be surveyed, a PBP will have both HOS and HOS-M results. In these cases, CMS calculates frailty using the data from both surveys, and the frailty score used for frailty payment is the higher of the two scores.

The criteria for PBPs to receive a frailty adjustment in Payment Year (PY) 2022 are listed below. PBPs must:

- Meet the contract requirements to be a FIDE SNP (capitated contracts with States for Medicaid benefits, including long-term care).
- Be operational by January 1, 2021 and be part of a contract that was operational in January 2020.
- Have greater than or equal to 30 respondents to the HOS or HOS-M.
- Have greater than or equal to the minimum of the range of PACE frailty (0.138 for PY 2022).

Under section 3205(b) of the Affordable Care Act (ACA), CMS may pay a frailty adjustment to fully integrated dual eligible special needs plans (FIDE SNPs) if the SNP has similar average levels of frailty to the PACE program. FIDE SNPs are also required by the ACA to have capitated contracts with States for Medicaid benefits, including long-term care.

CMS identified the minimum value of the range of 2022 PACE frailty scores and compared that to 2022 FIDE SNP frailty scores. The PACE range of frailty was based on PACE organizations with at least 100 respondents. For an equitable comparison, we calculated both the PACE range of frailty scores (i.e., to identify the PACE minimum value) and the FIDE SNP frailty scores using the FIDE SNP frailty factors. In order to calculate a frailty score for payment, a minimum number of 30 respondents for your plan was needed. For PY 2022, the PACE minimum is 0.138. FIDE SNPs that do not meet these requirements will not receive a payment adjustment for frailty in PY 2022. For more information regarding how your frailty score was calculated, as well as the HOS ADL or HOS-M ADL results for your plan, please refer to the technical notes and information posted on HPMS in the risk adjustment module under “Survey Results for Frailty Adjustment.”

For qualifying plans, the PBP’s frailty score will be added to the applicable beneficiaries’ risk scores. A flag on the Monthly Membership Report (MMR) will indicate that the frailty score has been applied. Due to permanent changes in the timing of the HOS/HOS-M administration (see the HPMS memo, “Medicare Advantage/Prescription Drug System (MARx) January Payment – INFORMATION” released on December 23, 2021), we anticipate the frailty adjustment will be applied in July 2022 payment. Retroactive payment adjustments back to January 2022 will appear on the Monthly Membership Report (MMR) using Adjustment Reason Code (ARC) 18 – Part C Rate Change.

If you meet all the requirements to receive 2022 frailty and frailty is not applied in the July payment, please contact the Medicare Advantage Prescription Drug (MAPD) Help Desk via phone at 1-800-927-8069 or mapdhelp@cms.hhs.gov. The hours of operation are Monday-Friday 8 a.m. to 6 p.m. ET.

If you have any further questions, please email RiskAdjustmentPolicy@cms.hhs.gov and specify “2022 Frailty Score” in the subject line and include your contract number and plan ID.