# Calendar Year 2021 (CY21) Medicare Part C Improper Payment Measure (Part C IPM)
# Medicare Advantage (MA) Organization
# Frequently Asked Questions (FAQs)

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## Quick Links to Questions

## 1. CY21 Medicare Part C Improper Payment Measure (CY21 Part C IPM) Audits

### Q 1.1 — Which Medicare Advantage (MA) Organizations are required to participate in the CY21 Part C IPM?

CY21 Part C IPM is an annual sample of MA enrollees from all MA Organizations that received risk adjustment payments in CY21. For CY21 Part C IPM, 930 enrollees were randomly sampled across all eligible MA Organizations. They were members of 208 unique MA contracts. Only MA contracts with enrollees selected for the CY21 Part C IPM are required to participate.

### Q 1.2 — How is the improper payment estimate calculation conducted?

The CY21 Part C IPM sample is used for annual payment error estimation and reporting purposes under the Payment Integrity Information Act (PIIA) of 2019. To conduct the improper payment estimate calculation, CMS calculates a corrected risk score for each sampled enrollee based on the Medical Record Review (MRR) results, computes payment error amounts for each sampled enrollee, and then extrapolates those payment errors to the Part C population.

### Q 1.3 — Does CMS plan to recover overpayments from CY21 Part C IPM payment error findings?

CMS does not intend to initiate payment corrections for CY21 Part C IPM findings. However, MA Organizations should follow existing procedures for reporting and returning overpayments to CMS if they discover an overpayment as a result of the CY21 Part C IPM activity. MA Organizations should review the April 15, 2022 Health Plan Management System (HPMS) memorandum "Reminder of Existing Obligation to Submit Accurate Risk Adjustment Data." MA Organization-specific Part C IPM results are provided in the Final Findings Report (FFR) distributed in late 2023.

### Q 1.4 — When should MA contracts expect to see compiled results for this audit?

The aggregated improper payment rate results across the program are reported every year in the Department of Health and Human Services' Agency Financial Report (AFR), which is released annually on or around November 15th. In December, CMS will send Final Findings Reports (FFRs) to each MA Organization with one or more enrollees selected for the Part C IPM. The reports show the final disposition of each audited CMS-HCC. MA contracts will be notified via email when the reports are available for download from the Part C IPM module in the Health Plan Management System (HPMS).

### Q 1.5 — May MA Organizations challenge payment error findings by CMS?

No. MA Organizations do not have appeal rights for the CY21 Part C IPM sample because CMS will not directly recover overpayments from reported payment error findings at this time.

### Q 1.6 — Will hardship exception requests be considered for the CY21 Part C IPM?

Yes, in limited circumstances. In order to request a hardship exception, your MA contract must use the request form contained in the HPMS Document Library. As stated on the form, CMS will only grant exceptions in truly extraordinary circumstances, such as natural disasters. All hardship exception requests must be submitted to CMS no later than 11:59 p.m. PT on Thursday, April 27, 2023.

Nevertheless, MA Organizations have an obligation to submit diagnosis codes for risk adjustment that are documented in the medical record and meet risk adjustment criteria. Furthermore, your MA Organization is required to retain the medical records upon which risk adjustment data submission was based.

Article II of the Medicare Advantage coordinated care plan contract requires your MA Organization to operate all plans in compliance with "applicable Federal statutes, regulations, and policies . . ." including, but not limited to 42 CFR § 422.310(e). Section 422.310(e) provides "Validation of risk adjustment data. MA organizations and their providers and practitioners will be required to submit a sample of medical records for the validation of risk adjustment data, as required by CMS."

The Medicare Advantage coordinated care plan contract also specifies record retention requirements for first tier and downstream entities (Article V, Section B), and record retention requirements in general (Article VI). As required by CMS, your MA Organization has an obligation to obtain medical records from its providers and practitioners for the validation of risk adjustment data.

### Q 1.7 — Why is it important for MA Organizations to participate in the Part C IPM activity?

MA Organizations' participation in the Part C IPM activity is critical to CMS reporting an accurate Part C payment error rate, as required by the PIIA. As an example, if participating organizations do not provide the medical record documentation CMS requests, the payment error rate may be inaccurate. CMS also uses the results of the Part C IPM to inform policy, so MA Organizations' participation is vital to influencing health care policy in our country, in addition to being a contractual obligation.

## 2. Sampling and Medical Record Submission

### Q 2.1 — What is the submission window for the CY21 Part C IPM activity?

The submission window for the CY21 Part C IPM activity is Thursday, January 19, 2023 through Thursday, May 11, 2023.

### Q 2.2 — Is the CY21 Part C IPM sample size uniform among each MA Organization?

No. Sample size varies from MA Organization to MA Organization because CMS samples beneficiaries randomly across all eligible MA Organizations in Part C IPM. There is no set number of enrollees sampled from each MA Organization.

### Q 2.3 — CY21 Part C IPM is used to calculate the Part C Payment Error Rate for CY21. How and when is this payment error rate extrapolation used/applied to MA Organizations?

CY21 Part C IPM sample enrollee-level payment errors are extrapolated to calculate a Part C Payment Error Rate. CMS does not calculate or report MA Organization-level extrapolated payment errors. MA Organizations can review MA Organization contract-specific CY21 Part C IPM error statistics on the FFR.

### Q 2.4 — What is the accepted date of service range for inpatient medical record submissions?

MA Organizations may submit inpatient medical records with any admission dates. However, the dates of discharge must occur within the data collection year, from January 1, 2020 to December 31, 2020. Please note that the medical record must document a valid face-to-face visit with an acceptable risk adjustment provider, including the diagnosis treated during the inpatient stay.

### Q 2.5 — Is the admission date field for hospital inpatient records limited to a certain timeframe?

An inpatient submission is eligible if the discharge date occurred in 2020. The admission date field is not limited. For example, if the patient was admitted on December 15, 2019 and discharged on January 15, 2020, the entire inpatient submission is eligible for review.

### Q 2.6 — Is there a limit to the number of medical records that can be submitted for each CMS-HCC?

Currently, there is no limit to the number of medical records that can be submitted for each CMS-HCC. However, MA Organizations should carefully review the selected documentation before submitting records. Please note that MA Organizations may submit a single medical record to support multiple CMS-HCCs. When submitting a single medical record for multiple CMS-HCCs, please select all applicable CMS-HCCs on the Medical Record Coversheet and submit the record **once**. Please avoid submitting the same medical record documentation multiple times.

### Q 2.7 — How can MA Organizations rank medical records submitted for each CMS sampled CMS-HCC? Will CMS be reviewing all medical records submitted?

For the Part C IPM, CMS reviews all of the medical records that the MA Organizations submit. No ranking is applied in Part C IPM.

### Q 2.8 — Are telehealth visits considered valid for the CY21 Part C IPM?

As a result of the COVID-19 emergency declaration blanket waivers CMS has issued, telehealth visits for dates of service from March 1, 2020 – December 31, 2020, will be considered equivalent to face-to-face visits. The medical record should document the same standard of care as an in-person visit (for example, include diagnosis, assessment, issues discussed, and/or plan). However, the record does not need to specifically reference the audio or video component of a telehealth visit. Again, telehealth visits are considered equivalent to face-to-face visits only for March 1, 2020 – December 31, 2020, dates of service. Telehealth visits for dates of service from January 1, 2020 – February 29, 2020, will **not** be considered valid.

### Q 2.9 — For CMS-Generated Attestations, will electronic signatures be accepted due to the COVID Public Health Emergency, and the challenges associated with obtaining physical signatures, or will physical signatures be required?

CMS will accept an electronic provider signature on a CMS-Generated Attestation form for CY21 Part C IPM. Electronic signatures must follow the requirements specified in the Part C IPM CY21 Submission Instructions found on page 9.

### Q 2.10 — What should a MA Organization do if it cannot obtain a signed CMS-Generated Attestation after appropriate due diligence?

A CMS-Generated Attestation must be signed by the rendering provider for the service. If your MA Organization is unable to obtain a signed CMS-Generated Attestation form, CMS recommends finding a replacement medical record with a valid signature and credential. If your MA Organization is unable to find a replacement medical record, CMS recommends submitting the medical record without the attestation, as the MRR coders may be able to validate the signature/credential for the medical record submission.

### Q 2.11 — Does CMS consider a CMS-HCC to be validated if the CMS-HCC was not listed on the coversheet but was found on the submitted medical record during MRR?

Yes. CMS considers the CMS-HCC to be validated if it is found on any submitted medical record for a given enrollee. However, MA Organizations should carefully review documentation prior to submission and indicate all applicable CMS-HCCs on the coversheet.

### Q 2.12 — How are slight variations in enrollee names handled, such as the use of a middle initial or changes in last name due to divorce and/or marriage?

The medical record coversheet provides an area to input a beneficiary's name and date of birth, and a field for corrections. The correction field identifies a discrepancy between the name on the medical record and the name listed in HPMS and the enrollee file. For example, to indicate a middle name error, or an alteration using the first initial instead of a name, use this section to make the correction. We recommend verifying the name on the coversheet. If there are any discrepancies, make the correction on the medical record coversheet. CMS reviews these corrections to confirm the enrollee is valid.

### Q 2.13 — Should the "Sample Year" be 2020 instead of 2021?

The "Sample Year" for Part C IPM activities is equivalent to the Payment Year. The HPMS System correctly reflects the year 2021 for this activity. The dates of service under review are the 2020 dates of service for the sample year and payment year 2021.

### Q 2.14 — What is the average turn-around time from submission to validation?

The turn-around time depends on the volume of records received throughout the submission period. MA Organizations receive documentation of interim CMS-HCC validation outcomes in two Interim Findings Reports (IFRs) distributed during the submission period. Interim findings on the IFR should help guide MA Organizations in determining whether additional documentation is needed for a particular CMS-HCC. The FFRs show the final disposition and are distributed in approximately December of each year.

### Q 2.15 — Will the latest CMS-HCC for a given enrollee reflect all RAPS and Encounter Data Processing System (EDPS) submissions for 2020 Dates of Service as of today? If not, how will those submissions, which can include deletes, be reflected in IPM analysis?

The Part C IPM is based on final reconciliation of the data that the MA contracts submitted by the established deadline. CMS recognizes that the CY21 Part C IPM sample may include CMS-HCCs that have been subsequently deleted after the risk adjustment data submission deadline.

## 3. Health Plan Management System (HPMS)

### Q 3.1 — What type of access do MA Organizations have in the HPMS CY21 Part C IPM Module?

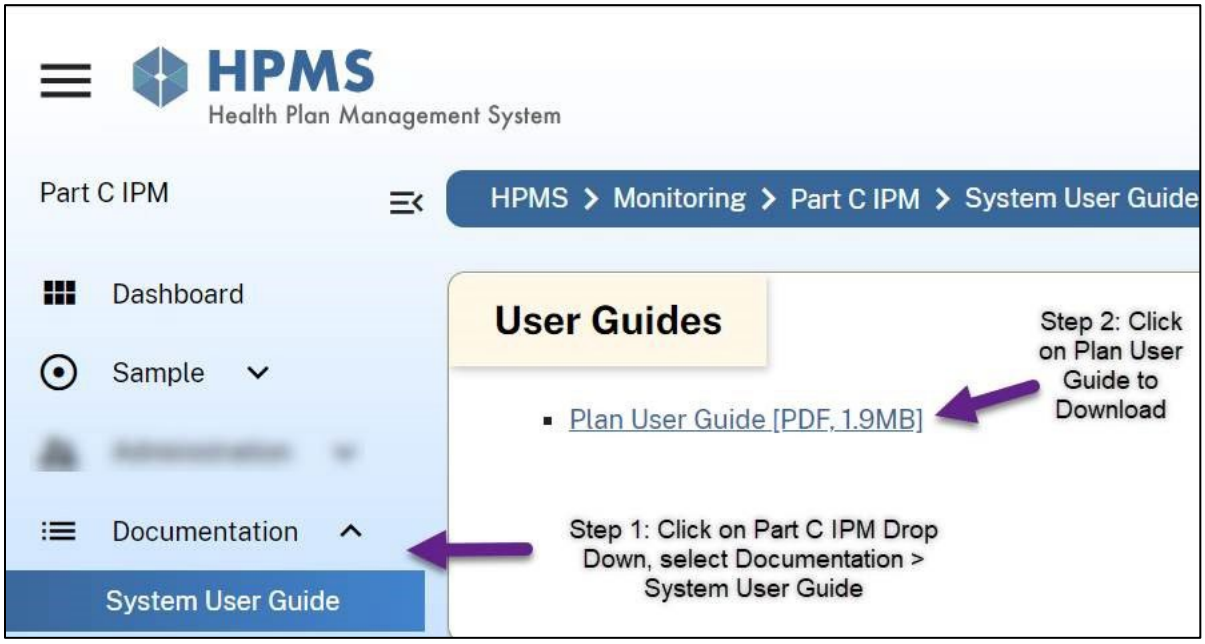
MA Organization users can submit data, view reports, and download materials available from the HPMS Document Library tab.

### Q 3.2 — What is the naming convention for the medical record .pdf files?

The .pdf file does not have a specific naming convention. However, filenames must contain less than 100 characters, must exclude PHI and PII, and cannot contain any of the following characters: #%+:&. The MA Organization Submission Instructions, located in the HPMS Document Library under the section “Preparing the Medical Record File”, provides guidance for the PHI/PII exclusion.

Also, review the HPMS Part C IPM Plan User Guide, page 23, for the complete .pdf requirements. It is available in HPMS under the Part C IPM drop down, within the Documentation Tab (See Figure 1).

Figure 1 - Plan User Guide Navigation Screenshot




### Q 3.3 — What is the maximum file size for a .pdf medical record submitted to HPMS?

The maximum file size for a .pdf file is 50 MB.

### Q 3.4 — Can MA Organizations delete previously submitted medical records?

No. However, MA Organizations may submit additional medical records for a sampled CMS-HCC.

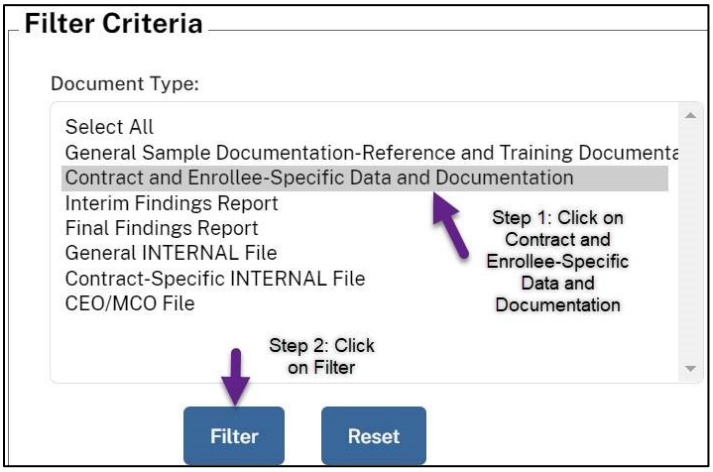
### Q 3.5 — Where is the CY21 Part C IPM enrollee list located?

The enrollee list is available in the HPMS Document Library.

### Q 3.6 — How can MA Organizations find the data element "Source of Diagnosis Codes" in the enrollee sample list?

The data elements "Source of Diagnosis Codes" appear in columns AS (CMS-HCC model version V22Y17) and AT (version V24) of the Enrollee Data List file (an Excel spreadsheet) provided by CMS to each selected MA contract. The Enrollee Data List file is contract-specific and is named Hxxxx-EnrolleeList-CY21-PartC-IPM.xlsx, where xxxx indicates the Contract ID number. Refer to the following screenshot to locate the Enrollee Data List file (See Figure 2).

Figure 2 - Location of Part C IPM Enrollee Data List on HPMS




### Q 3.7 — How can MA Organizations get a copy of the teleconference recording and presentation slides?

The MA Organization teleconference recording and presentation slides are available in the HPMS Document Library.

### Q 3.8 — What is the maximum number of HPMS users allowed for each MA Organization?

An MA Organization is allowed five (5) points of contact (POCs) per contract in HPMS. If the 5 POC limit will cause burden for your organization, please send an email to PartC_IPM@cms.hhs.gov and include justification for registering additional POCs in HPMS.

### Q 3.9 — When will the HIPAA fact sheet be available in the HPMS Document Library?

The HIPAA fact sheet is currently available in the HPMS Document Library as an attachment within the Physician and Hospital Letter files. The HIPAA fact sheet explains HIPAA privacy regulations as they pertain to the collection of medical records for the Part C IPM.

## 4. CY21 Part C IPM Payment Error Findings

### Q 4.1 — How can MA Organizations obtain preliminary results during the submission window?

The Interim Finding Reports show the progress of the MRR as it moves through the intake and coding processes. CMS-HCC interim results will be displayed based on the most recent step a medical record completed (for example, Submission Review, Senior Evaluation, Invalid Confirmation, or Initial Coding). In some cases, when the medical record has completed all review steps (Process Complete), results that appear on the IFR are final. CMS issues two IFRs during the submission window. At the completion of the CY21 Part C IPM, your MA Organization will receive a FFR reflecting final CMS-HCC dispositions.

### Q 4.2 — What are the cutoff dates for medical record submissions to be included in the first and second IFRs?

The cutoff dates for the IFRs are as follows:

- IFR #1 Submission Cutoff Date: 11:59 p.m. PT on Tuesday, February 21, 2023
- IFR #2 Submission Cutoff Date: 11:59 p.m. PT on Tuesday, March 28, 2023

You will receive interim feedback on all medical records submitted before the IFR deadlines. The IFRs will identify CMS-HCCs found discrepant during MRR, giving your MA Organization the opportunity to submit additional medical records that may substantiate the discrepant CMS-HCCs before the submission deadline of 11:59 p.m. PT on Thursday, May 11, 2023.

### Q 4.3 — How can MA Organizations obtain the final results of CY21 Part C IPM?

After the CY21 Part C IPM concludes, and the improper payment rate is reported, CMS will distribute a FFR showing the disposition of all the CMS-HCCs in the sample to each MA contract. The FFRs will include MRR results for sampled enrollees from the MA Organization and summary-level results for the overall CY21 Part C IPM sample. In accordance with the PIIA, the Part C Improper Payment Error Estimate is published annually in the HHS Agency Financial Report as well as PaymentAccuracy.gov.

### Q 4.4 — How are payment error findings calculated for CY21 Part C IPM?

CMS calculates a revised risk score for each sampled enrollee based on the ICD-10-CM diagnosis codes identified during CY21 Part C IPM MRR. Using the revised risk score, CMS derives the payment amount associated with that enrollee. The difference between the original risk score and the MRR-based risk score is the basis to determine the estimated payment error associated with each enrollee. Payment errors may be positive, indicating overpayments, or negative, indicating underpayments. In Part C IPM, underpayments only occur when the MRR coders identify higher CMS-HCC(s) in the same hierarchy as the sampled CMS-HCC(s) that the MA contract did not previously submit for payment.

### Q 4.5 — How are CY21 Part C IPM payment error findings applied?

CMS applies the sample-level findings to the Medicare Part C population as a whole, including partial year enrollees, and calculates a program-wide extrapolated estimated payment error. CMS then calculates a confidence interval around the results. In accordance with the PIIA, the Part C Improper Payment Error Estimate is published annually in the HHS Agency Financial Report.

### Q 4.6 — Does Office of Financial Management (OFM) share results with Center for Program Integrity (CPI)?

Yes. CMS OFM collaborates with CPI and the Center for Medicare (CM), and many other departments and groups across the agency, to administer MA programs efficiently and effectively.

### Q 4.7 — Where can MA Organizations find the most recent Part C payment error estimates?

The most recent Part C error percentage appears in the publicly available HHS Agency Financial Report, which is published annually as well as PaymentAccuracy.gov.

## 5. CY21 CMS-HCC Model Changes

### Q 5.1 — Are the dates of service associated with the 2017 Version 22 (V22Y17) CMS-HCC model and the Version 24 (V24) CMS-HCC model different?

CY21 payments to your MA Organization were based on a blend of risk scores from two CMS-HCC models: the 2017 Version 22 (V22Y17) CMS-HCC model and the Version 24 (V24) CMS-HCC model. See CMS 2021 Announcements and Documents for more information.

Specifically, CMS blended 25% of the risk score calculated with the V22Y17 model, using diagnoses from RAPS and FFS, summed with 75% of the risk score calculated with the V24 model, using diagnoses from encounter data, RAPS inpatient records, and FFS. Diagnoses used for CY21 payments are based on 2020 dates of service (service provided from 1/1/2020 to 12/31/2020).

The payment policies and risk adjustment models for 2021 were in effect the entire calendar year. For enrollees with diagnoses listed under both models in the Enrollee Data List, be sure to submit medical records that validate the CMS-HCCs in both columns. Refer to the CY21 Part C IPM Submission Instructions and MA Organization Training Teleconference slide presentation in the HPMS Document Library for additional information regarding medical record selection for this Part C IPM activity.

### Q 5.2 — When the Enrollee Data includes CMS-HCCs from the 2017 V22 (V22Y17) model and the V24 model, do MA contracts need to validate CMS-HCCs in both models?

Yes, because CY21 payments were based on risk scores calculated using both the V22Y17 and V24 CMS-HCC models. Medical records submitted for CY21 Part C IPM must validate both the V22Y17 and V24 CMS-HCCs to avoid a discrepant medical record review finding.

### Q 5.3 — Please clarify the CMS-HCC blended model. If CMS indicates that CMS-HCC 55/56 needs to be validated, but I can validate 55/55, is this acceptable?

CY 2021 payments to your MA Organization were based on a blend of risk scores from the V22Y17 and V24 CMS-HCC models and the enrollee list showing the specific CMS-HCCs for which your MA Organization received payment for the selected enrollees. CMS-HCC 56 is only included in the V24 CMS-HCC model and is of a lower severity than CMS-HCC 55 within the same hierarchy. Therefore, if you were able to validate V22Y17 CMS-HCC 55 and V24 CMS-HCC 55, both audited CMS-HCCs will be considered confirmed. Your FFR results for both CMS-HCCs will display as Confirmed. A failure to validate V24 CMS-HCC 56 at an exact or higher level in the hierarchy will result in a discrepant medical record review finding.

**Q 5.4 — The sample enrollee list contains references indicating only 2021 data is available for review, but it also has other references to both 2017 V22 (V22Y17) CMS-HCCs and V24 CMS-HCCs. Does only 2021 data need validation, or does both 2017 and 2021 CMS-HCC data need validation?**

This Part C IPM activity is being conducted to validate payments to MA Organizations for payments in CY 2021, which were based on 2020 dates of service. Medical records submitted for this Part C IPM should be from CY 2020 dates of service only.

The "Enrollee V22Y17 CMS-HCC for Validation" and "Enrollee V24 CMS-HCC for Validation" columns in your enrollee list reflect the fact that CY 2021 payments to your MA Organization were based on risk scores calculated using both the 2017 V22 (V22Y17) CMS-HCC risk adjustment model and the V24 CMS-HCC risk adjustment model. Therefore, your MA Organization should submit medical records to validate the CMS-HCCs listed in both columns.

## Glossary

| Term | Definition |
|---|---|
| **CFR** | Code of Federal Regulations |
| **CM** | Center for Medicare |
| **CMS** | Centers for Medicare & Medicaid Services |
| **CPI** | Center for Program Integrity |
| **CY** | Calendar Year |
| **EDPS** | Encounter Data Processing System |
| **EDS** | Encounter Data System |
| **FFS** | Fee-For-Service |
| **FFR** | Final Findings Report |
| **HCC** | Hierarchical Condition Category |
| **HIPAA** | Health Insurance Portability and Accountability Act |
| **HPMS** | Health Plan Management System |
| **IFR** | Interim Findings Report |
| **IPM** | Improper Payment Measure |
| **MA** | Medicare Advantage |
| **MRR** | Medical Record Review |
| **OFM** | Office of Financial Management |
| **PHI** | Protected Health Information |
| **PII** | Personally Identifiable Information |
| **PIIA** | Payment Integrity Information Act of 2019 |
| **RAPS** | Risk Adjustment Processing System |