CENTERS FOR MEDICARE & MEDICAID SERVICES

CY 2011 CMS Risk Adjustment Data Validation Overview

October 9, 2012

Welcome

- Introductions
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Objectives

- Presentation will provide information about the risk adjustment data validation (RADV) contract-level audits for payment year 2011
- Information geared toward the contract-level sample, not the national sample conducted annually for error rate reporting
- At the conclusion of the presentation, CMS will respond to questions that have been submitted in advance

Agenda

- What is RADV?
- Final Payment Error Calculation Methodology
- RADV Process: Selection for Audit through Appeals
- What Happens After My Contract is Selected for an Audit?
- Answers to Submitted Questions

CY 2011 CMS Risk Adjustment Data Validation Overview

What Is RADV?

Terminology

- AROF – Audit Report of Findings
- CDAT - Central Data Abstraction Tool
- CMS - HCC – Center for Medicare and Medicaid Services Hierarchical Condition Category
- INV - Invalid
- MRD - Medical Record Dispute
- MRR - Medical Record Review
- RADV - Risk Adjustment Data Validation
- RAPS – Risk Adjustment Processing System

Risk Adjustment Data Validation (RADV) Overview

- RADV validates diagnoses submitted for payment.
- RADV is a corrective action to help reduce the Part C error rate.
  - Each year CMS reports a National Payment Error Estimate to comply with the Improper Payments Elimination and Recovery Act (IPERA) of 2010
- CMS expects that RADV will have a sentinel effect on quality of risk adjustment data submitted for payment going forward.

Risk Adjustment and Data Accuracy

- MA organizations are responsible for submitting accurate data to CMS for payment
- RADV is a method of evaluating the accuracy of the diagnoses submitted for payment

RADV Verifies Diagnoses Submitted for Payment

- MAO-submitted risk adjustment diagnoses must be:
  - Based on clinical medical record documentation from a face-to-face encounter (patient and provider)
  - Coded in accordance with the *ICD-9-CM Guidelines for Coding and Reporting*
  - Assigned based on dates of service within the data collection period
  - Submitted to the MA contracts by acceptable:
    - RA provider type
    - RA provider data source

Final Payment Error Calculation Methodology

Final Payment Error Calculation Methodology

- On Feb 24, 2012 CMS released the

Notice of Final Payment Error Calculation Methodology for Part C Medicare Advantage Risk Adjustment Data Validation Contract-Level Audits.

- Notice available at: www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/PaymentValidation.html/

- Revised from the December 20, 2010 document CMS released for comment entitled

Medicare Advantage Risk Adjustment Data Validation Notice of Payment Error Calculation Methodology for Part C Organizations Selected for Contract-Level RADV Audits- Request for Comment

- CMS reviewed all comments received and considered them when finalizing the methodology

Final Payment Error Calculation Methodology

- Methodology will be applied to next round of contract level audits conducted on payment year 2011
- Extrapolation will begin with payment year 2011
- Approximately 30 contracts will be selected for audit
- Contracts will be able to submit multiple medical records per CMS-HCC
- Fee-for-Service Adjuster will be applied to payment recovery amounts

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RADV Process:

Selection for Audit through Appeals

RADV Process -Sampling

- Step 1: Select MA Contracts eligible for RADV audits
  - Active contracts that received risk adjusted payments
- Step 2: Select enrollees eligible for sampling
  - Selection based on enrollment data for January of the payment year
  - Eligible enrollees:
    - 12 months of Part B during data collection year (i.e., Full Risk)
    - Continuously enrolled in the same contract from January of the data collection year through January of the payment year
    - Non-ESRD in status from January of the data collection year through January of the payment year;
    - No hospice-only status from January of the data collection year through January of the payment year;
    - At least one CMS-HCC assigned
      - All CMS-HCCs for selected enrollees will be reviewed

RADV Process - Sampling Size and Strata

- 201 enrollees will be selected from the contract's RADV eligible population
- Stratified, random sample
  - 67 in each stratum
- Sampling weights
  - Enrollee sample weight computed as the total number divided by the number of enrollees sampled from that stratum (N/n).
    - For RADV contract level samples n= 67

RADV Process – Medical Record Review

- Every valid submitted record is evaluated by coders according to the *ICD-9-CM Guidelines for Coding and Reporting*
- Contracts should adhere to the RADV rules and provide documentation as prescribed in the audit instructions
  - Failure to do so may render the contract's subsequent appeals invalid and impact the payment recovery amount.
- CMS uses the Central Data Abstraction Tool (CDAT) to facilitate the RADV process

RADV Process – Medical Record Review

- Effective with the CY 2011 RADV audits, CMS will allow audited MA contracts to submit up to five medical records for each audited CMS-HCC per enrollee.
- A CDAT management function will allow MA contracts to add, re-order, and delete medical records for each enrollee up until the submission deadline.
- CMS will consider individual hardship requests if an MA contract identifies the need to submit more than five medical records per sampled CMS - HCC.

RADV Process – Medical Record Review

- CMS will consider hardship requests in the extraordinary circumstance that a contract will need to submit more than five medical records to support a CMS-HCC for an enrollee
- Guidance pertaining to the hardship request will be included in the instructions packet issued to audited contracts

RADV Process – Medical Record Review

- Records submitted for RADV first undergo an intake evaluation
- For outpatient and physician records, a CMS-Generated Attestation may be submitted with a record that is missing a provider's signature and/or credential
- Only valid records go forward for coding

RADV Process – Medical Record Review

- CMS created the *Risk Adjustment Data Validation (RADV) Medical Record Checklist and Guidance* to assist contracts in selecting appropriate medical records
  - The guidance is based on issues CMS observed with medical records submitted for previous RADV audits
  - The guidance addresses issues observed during intake (incorrect date of service, unacceptable provider type, etc) and coding (diagnosis cannot be verified using ICD-9 guidelines).
- List available at http://www.cms.gov/Medicare/Medicare-Advantage/Plan-Payment/Downloads/radvchecklist.pdf

RADV Process – Medical Record Review

- All diagnoses will be abstracted from the priority medical record that supports the CMS-HCC under review.
- Priority is based on the order in which medical records are arranged by the MA contract.

RADV Process - Payment Error Estimate and Payment Recovery Amount

- The medical record review (MRR) results feed the payment error estimate
- Enrollee Level Error = Original Payment – Post RADV Payment
- Apply the sampling weights to the enrollee level payment error to determine contract level error

RADV Process: Payment Error Estimate and Payment Recovery Amount

- Total all enrollee payment errors
- Calculate 99% confidence interval
- Payment Error Estimate is lower bound of 99% confidence interval
- Application of FFS Adjuster
- Payment Recovery Amount
  - Payment recovery will occur after all steps of medical record review have been completed, including medical record dispute
    - Recovery amounts will be deducted from a contract's monthly payment

RADV Process - Payment Error Estimate and Payment Recovery Amount

- Step One: calculate difference in payment based on MRR results for each sampled enrollee.

  Actual payment – Post MRR payment = Enrollee level payment error

- Step two: apply sampling weights.

  Un-weighted payment error X strata specific sampling weight (N/n) = Extrapolated payment error for MA contract (point estimate)

RADV Process - Payment Error Estimate and Payment Recovery Amount

- Step three: calculate 99% confidence interval (CI) around payment error estimate
- Step four: determine payment recovery amount
  - If the CI for the point estimate includes zero or is below zero, payment recovery amount is constrained to zero
  - If CI is above zero, preliminary payment recovery amount is set at lower bound of 99% CI
  - Final payment recovery amount determined by applying a fee-for-service (FFS) adjuster to lower bound
    - If FFS adjuster amount is greater than preliminary payment recovery amount, final recovery is constrained to zero
    - Details on the FFS Adjuster will be shared in the future
      - Calculated by CMS based on a RADV-like review of records submitted to support FFS claims data.

RADV Process - Findings

- At the conclusion of the initial medical record review process, results will be issued to audited contracts
- Contracts will receive their Preliminary Audit Report of Findings (AROF)
  - For each audited CMS- HCC the Preliminary AROF will detail the validation outcome, error type (if applicable), and eligibility for medical record dispute
  - For each enrollee, the preliminary AROF will detail calculation of the corrected risk score and payment, based on initial medical record review results
- Contracts will receive information and instructions on medical record dispute (MRD) with the preliminary AROF

RADV Process - Medical Record Dispute

- MRD occurs after the initial medical record review results have been released to contracts
- Allows MA contracts an opportunity to dispute certain types of RADV-related errors
- Errors may be overturned through the MRD process
- For MRD, MA contracts will be allowed to select the “one best medical record” from the medical records it previously submitted for each audited CMS-HCC

RADV Process – MRD Findings

- At the conclusion of MRD, audited contracts will receive their finding through the Audit Report Post Medical Record Review
- Similar to the Preliminary AROF, the Audit Report Post Medical Record Review will detail CMS - HCC validation outcomes, error types, eligibility for appeal, as well as payment error recovery amounts
- Contracts will also receive instructions on filing appeals

Appeals

- Per 42 CFR § 422.311, MA contracts are afforded two types of appeals:
  - Medical Record Review Determination Appeal
  - Payment Error Calculation Appeal
- Full appeal rights are detailed in the regulation

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What Happens After My Contract Is Selected for an Audit?

What happens after my contract is selected for audit?

- The CEO and MCO for your MA contract will:
  - Receive a CMS notification message via email containing:
    - Information about training and instructions availability
    - Directions on establishing three users for the Central Data Abstraction Tool (CDAT)
- Training will include
  - CDAT Access Training Teleconference
  - CMS Audit-Specific Teleconference, including CDAT submission training

What happens after my contract is selected for audit?

- CDAT is the secure system through which data related to RADV audits is transferred.
  - MA contracts download enrollee data and audit instructions
  - MA contracts upload medical records to CDAT
  - Medical record review is conducted within the CDAT

What happens after my contract is selected for audit?

- Two types of training will be held prior to the start of the audit
  - CDAT access training
    - Will instruct users on how to access and login to the system
  - Audit specific training
    - Will instruct users on how to upload records to CDAT
    - Will also provide information and instructions for the audit

What happens after my contract is selected for audit?

- Enrollee data is available on CDAT following the CMS Audit-Specific Teleconference
- Medical record submission deadline will be 16 weeks after the data identifying sampled enrollees is released to contracts
- CMS will provide technical assistance regarding the submission process

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Answers to Submitted Questions

Questions and Answers

- CMS will answer questions that were submitted through radv@cms.hhs.gov
- If you have additional questions, please submit them to the RADV mailbox