

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



## MEDICARE PLAN PAYMENT GROUP

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TO: Selected Dual Eligible Special Needs Plans (SNPs)

FROM: Cheri Rice,  
Director, Medicare Plan Payment Group

SUBJECT: 2014 Frailty Scores and 2013 Health Outcomes Survey (HOS) Activities of Daily Living (ADL) Results

DATE: March 21, 2014

In 2012, CMS invited Medicare Advantage Organizations (MAOs) that expected to sponsor a fully integrated dual eligible special needs plan (FIDE SNP) in 2014 to participate in the 2013 Medicare Health Outcome Survey (HOS) (see HPMS memo dated November 2, 2012 entitled *Participation in 2013 HOS for Medicare Advantage Organizations Planning to Sponsor FIDE SNPs in 2014*). MAOs that believed they would sponsor a FIDE SNP in 2014, and who wished to participate in the 2013 Medicare HOS for their FIDE SNP population, were to inform CMS by Wednesday, November 14, 2012 of their decision. Your MAO elected to participate in the 2013 HOS at the plan benefit package (PBP) level. The purpose of this memo is to inform you that the frailty scores for PBPs with at least 30 respondents to the HOS have been posted to HPMS in the risk adjustment module, under “Survey Results for Frailty Adjustment for 2014.”

For each PBP that requested frailty consideration, the report on HPMS details the response rate and the calculated frailty factor. If your plan qualifies for frailty in 2014, the frailty score used in payment will be in the cell labeled “frailty score for payment.” If your plan does not qualify, the frailty score for payment will be 0.00, regardless of what your plan’s calculated frailty score is. 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. The criteria for PBPs to receive a frailty adjustment are listed below.

In order to receive frailty in 2014, the following requirements must be met:

- The PBP’s sponsor must meet the contract requirements to be a FIDE SNP (capitated contracts with States for Medicaid benefits, including long-term care).
- The sponsor must have participated in the 2013 HOS at the PBP level, and must have had greater than or equal to 30 respondents to the HOS.
- Have greater than or equal to minimum range of PACE frailty (0.084).

Under section 3205(b) of the Affordable Care Act (ACA), CMS may pay a frailty adjustment to fully integrated dual eligible (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.

To carryout section 3205(b) of the ACA, as described in the *Announcement of Calendar Year (CY) 2013 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter*, we identified the minimum range of 2014 PACE frailty and compared that to 2014 FIDE SNP frailty scores. For comparison purposes, both the PACE range of frailty and the FIDE SNP frailty scores were based upon the FIDE SNP frailty factors used to calculate the 2014 frailty scores for payment to the FIDE SNP plans. In order to calculate a frailty score for payment, a minimum number of 30 respondents for your plan were needed. The minimum range of frailty was based on the PACE organizations with at least 100 respondents and equal to 0.084.

For more information regarding how your frailty score was calculated, as well as the HOS ADL results for your plan, please refer to the information posted on HPMS in the risk adjustment module, under “Survey Results for Frailty Adjustment for 2014.” Eligible beneficiaries should have received the frailty add on as part of the January payment. The frailty factor is added to the beneficiary risk score. Also, there should be a flag on the Monthly Membership Report indicating that that frailty was applied. If you do not believe frailty has been applied appropriately to your payment, please contact the Medicare Advantage Prescription Drug Help Desk (MAPD) via phone at 1-800-927-8069 or [mapdhelp@cms.hhs.gov](mailto:mapdhelp@cms.hhs.gov). The hours of operation are Monday-Friday 6 a.m. to 9 p.m. ET.

If you have any further questions, please email them to [riskadjustment@cms.hhs.gov](mailto:riskadjustment@cms.hhs.gov).