

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

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TO: All Medicare Advantage (MA) Organizations and Demonstrations

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SUBJECT: Participation in 2015 HOS for MA Organizations Planning to  
Sponsor FIDE SNPs in 2016 – Response needed by Friday, October 31, 2014

Beginning in 2012, CMS began adjusting payments of fully integrated dual eligible special needs plans (FIDE SNPs) based on the average frailty of their plan enrollees. Section 3205(b) of the Affordable Care Act (ACA) allows CMS to pay a frailty adjustment to a Dual Eligible SNP that is both “fully integrated with capitated contracts with States for Medicaid benefits, including long-term care” **and** has a “similar average level of frailty...as the PACE program.”

In order for CMS to determine whether a FIDE SNP has a similar average level of frailty as the PACE program, CMS must be able to calculate a frailty score for each FIDE SNP. In the 2012 Rate Announcement, CMS specified that we would determine which FIDE SNPs had a similar average level of frailty as the PACE program by using the lowest frailty score of the range of applicable PACE organization frailty scores.

Frailty scores are calculated using the limitation on activities of daily living (ADL) reported by a plan’s enrollees, based on the Medicare Health Outcomes Survey (HOS) from the year previous to the payment year. For payment year 2016, CMS will use the 2015 HOS or Health Outcomes Survey-Modified (HOS-M) to determine a frailty score for FIDE SNPs. MA organizations that believe they will be sponsoring a FIDE SNP in 2016 and want to be considered for a frailty payment must participate in the 2015 HOS or HOS-M to allow for CMS to calculate their frailty score.

If an MA organization believes they will sponsor a FIDE SNP in 2016 and wishes to participate in the 2015 HOS to support the calculation of a frailty score for 2016 payment, they should email [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov) with “2015 HOS – H#####” in the subject line, no later than **Friday, October 31, 2014**. The information you need to provide is at the end of this memo.

## **Participation in the Health Outcomes Survey for Purposes of Measuring Frailty**

Certain MA organizations may elect to participate in the 2015 HOS or HOS-M for their FIDE SNP(s). The HOS will still be fielded at the contract level for MA organizations with at least 500 enrollees to meet MA reporting requirements. For FIDE SNPs that are part of a larger MA contract, additional sampling will occur at the plan benefit package (PBP) level to calculate a frailty score for the FIDE SNP. The supplemental sampling of the FIDE SNP population will continue to be done as a secondary step once the sampling for the contract is complete.

Historically, PACE organizations, and some demonstrations, have used the HOS-M. In the past, CMS has used the HOS for FIDE SNPs, since they are MA plans that are required to participate in the HOS for purposes of measuring quality. As with the 2014 survey, MA organizations that anticipate sponsoring a FIDE SNP in 2016 may have a choice of participating in either the HOS or the HOS-M at the PBP level for the 2015 survey. Generally, the choice will be determined by the number of available enrollees to sample:

1. Contract < 500 enrollees – These plans are not required participate in HOS for quality reporting purposes and the plan sponsor may choose either the HOS or HOS-M for surveying their FIDE SNP(s) for purposes of measuring frailty.
2. Contract has 500 or more enrollees and all enrollees are needed for the HOS – These contracts are required to participate in HOS for quality reporting purposes and must use the HOS to survey their FIDE SNP for purposes of measuring frailty. They cannot participate in HOS-M.
3. Contract has 500 or more enrollees and, after sampling for the HOS for quality reporting, there remain 50 or more enrollees within the FIDE SNP PBP(s) who are available to be sampled – These plan sponsors may choose to either participate in the HOS or HOS-M for purposes of measuring frailty.

CMS will inform plan sponsors whether they are in category 2 or 3 during November 2014. If a plan sponsor decides to participate in the HOS or HOS-M for FIDE SNP frailty scoring, CMS will sample a minimum of 50, up to a maximum of 1,200, enrollees in each PBP in order to calculate the FIDE SNP's frailty score.

Previously, CMS has sampled a minimum of 30 enrollees because a minimum of 30 respondents is required to calculate a frailty score. Since a PBP with 30 enrollees would need to have a 100% response rate in order to have a frailty score calculated, we are raising the minimum to 50 enrollees takes into CMS' observation of response rates.

## **Requirements for Participation of a PBP in the 2014 HOS or HOS-M, for Purposes of Measuring Frailty**

The following requirements for participating in the HOS (or, if chosen, the HOS-M), are as follows:

- The contract must exist as of January 1, 2014
- The PBP that will be the FIDE SNP in 2016 must exist as of January 1, 2015

- The PBP to be surveyed in 2015 does not have to have met FIDE SNP requirements in order to be surveyed, but it should be a Dual Eligible SNP in 2015.
- The PBP to be surveyed must have at least 50 enrollees in order to participate

All HOS and/or HOS-M survey costs, including contract level sampling and any additional costs attributed to additional FIDE SNP PBP level sampling, are the responsibility of the MA organization through its HOS survey vendor contract. Please note that there is only one vendor fielding the HOS-M; thus, if a plan sponsor decides to participate in HOS-M, they must contract with DataStat for surveying their FIDE SNP for purposes of measuring frailty. Sponsors may contract with any CMS-approved HOS survey vendor for the HOS. For more information on approved HOS survey vendors, please visit the CMS HOS website at <http://www.hosonline.org>.

**Clarifications to Protocol**

Due to the way CMS uses HOS data for Star Ratings and frailty payment, three additional points should be noted about the HOS and HOS-M protocols.

1. First, no plan staff should independently contact a survey vendor to provide answers to a survey on behalf of any beneficiary. Proxy response is under the control of the beneficiary. Plan staff may complete a survey questionnaire or telephone interview only at the request of the beneficiary, a family member, or other caregiver. If CMS finds that plans do not follow these protocols, the HOS data will be considered invalid.
2. Second, while PACE organizations use enhanced patient and proxy contact information to ensure high response rates, CMS will not provide enhanced contact information for FIDE SNPs or other MA organizations whether they are using the HOS or HOS-M survey instrument. CMS will continue to monitor response rates and assess the impact of using HOS-M on response rates for FIDE SNPs seeking frailty adjustment assessment.
3. Finally, MA organizations that choose to participate in the HOS-M for purposes of measuring frailty will not receive an HOS-M report or the corresponding beneficiary level data that is disseminated to participating PACE organizations.

**Frailty Payment**

2016 frailty payment will be made to those FIDE SNPs that (1) meet the requirements to be a FIDE SNP, (2) yield at least **30** responses to the HOS or HOS-M for the FIDE SNP, and (3) have a frailty score that meets the PACE level of frailty. Further information will be provided in the 2016 Advance Notice (to be published February 2015) and Rate Announcement (to be published April 2015).

For informational only purposes, below is the mean distribution of ADL limitations across all PACE organizations based on the 2014 HOS-M data.

0 ADLS		1-2 ADLs		3-4 ADLs		5-6 ADLs	
Medicaid	Non-Medicaid	Medicaid	Non-Medicaid	Medicaid	Non-Medicaid	Medicaid	Non-Medicaid
14.6%	0.2%	24.8%	0.2%	22.6%	0.4%	36.4%	0.7%

The frailty model captures costs associated with functional impairments in the frail elderly using limitations on ADLs to measure a dimension of health status not captured by diagnoses. The specific ADLs included in the frailty model are:

1. Bathing
2. Dressing
3. Eating
4. Getting in or out of chairs
5. Walking
6. Using the toilet

These limitations on ADLs are captured in the HOS and HOS-M surveys.

### **Participation Information**

If an MA organization anticipates sponsoring a FIDE SNP in 2016 and wants to participate in the 2015 HOS or HOS-M at the FIDE SNP level, please email the following information to [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov), with “2015 HOS -- H####” in the subject line. As stated earlier in the memo, all of this information **must be provided by October 31, 2014** in order for the designated PBP(s) to be sampled.

1. Contract number
2. PBP number for each PBP they want surveyed in 2015
3. Confirm that the PBP(s) will be Dual Eligible SNPs (or FIDE SNPs) in 2015
4. Specify whether you want to participate in HOS or HOS-M at the PBP level. To allow sufficient time for contracting with a survey vendor, CMS will inform plan sponsors who are interested in using the HOS-M to measure frailty whether their PBPs have sufficient enrollment to support using the HOS-M by November 15, 2014.

If a MA organization later determines they want to remove their FIDE SNP from the 2015 HOS or HOS-M for the purpose of CMS determining a frailty score for 2015, they must inform [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov) no later than January 16, 2015.

Further information about the 2015 HOS and HOS-M will be sent directly to participating plans during November 2014.