

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

DATE: December 6, 2022

TO: All Medicare Advantage Organizations, PACE Organizations, Medicare-Medicaid Plans, Section 1876 Cost Contractors, and Demonstrations

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

SUBJECT: Rerun of Payment Year (PY) 2016

This memo is to notify Medicare Advantage Organizations, PACE Organizations, Medicare-Medicaid Plans, Section 1833 Cost Contractors and Section 1876 Cost Contractors, and any demonstration plans that submit risk adjustment data of an upcoming rerun of Payment Year (PY) 2016. CMS will be rerunning PY 2016 to process the updates described below.

Data corrections. CMS has made several updates to the MAO-004 reports and to the Risk Adjustment Processing System (RAPS) and Risk Adjustment System (RAS). These updates have been described in the following memos:

- *Updated Version of the MAO-004 Reports (Phase IV Version 0) and Re-issuing of the Historical MAO-004 Reports in the New Version*, published on July 21, 2020,
- *Risk Adjustment Processing System (RAPS) and Risk Adjustment System (RAS) Updates*, published October 2, 2020, and
- *Correction to Risk Adjustment Processing System (RAPS) and Risk Adjustment System (RAS) Updates HPMS Memo dated October 2, 2020*, published November 16, 2020.

Closed-period deletes. Per the April 15, 2022 HPMS memo, *Reminder of Existing Obligation to Submit Accurate Risk Adjustment Data*, CMS will include in this rerun closed-period deletes (i.e., diagnoses deleted after the deadline for final reconciliation payments) for PY 2016. Section 1128J(d) of the Social Security Act requires that overpayments received under title XVIII or XIX to which an entity is not entitled, must be reported and returned no later than 60 days after it was identified by the entity. Once an MA organization has identified that incorrect diagnosis data were submitted, the MA organization is responsible for reporting the overpayment in the Risk Adjustment Overpayment Reporting (RAOR) module in HPMS, and deleting the incorrect diagnosis data through the established submission process (i.e., RAPS and/or Encounter Data

Processing System (EDPS)). (42 CFR 422.310(d)(2)) Plans can access the RAOR module by following this path: HPMS Home Page > Risk Adjustment > Risk Adjustment Overpayment Reporting.

The deadline to submit all PY 2016 (2015 dates of service) deletions is **8:00 PM ET, Friday, December 30, 2022**. This run will include both RAPS and encounter data deletes submitted through this deadline. MA organizations should review the September 28, 2022 HPMS memo, *Encounter Data Software Release Updates: 2022 Quarter 3 Release*, and resubmit Chart Review Record (CRR)-Deletes if they believe the CRR-Deletes were rejected because they would not pass the subset of EDPS edits discussed in the memo.

As with all payment runs, Medicaid, Long Term Institutional (LTI), and End Stage Renal Disease (ESRD) statuses will be updated with the most current information for PY 2016, and will be identified on Monthly Membership Report (MMR) for this run. Finally, CMS will be using an updated CPT/HCPCS list for the identification of risk adjustment eligible outpatient services for PY2016. As described in The Medicare Managed Care Manual, Chapter 7, Risk Adjustment, Section 120.1.1, CMS excludes diagnoses from outpatient settings for specific services. CMS had used an older CPT/HCPCS list to filter diagnoses from these services in previous PY2016 runs. Note that this is not a change to our filtering rules, but an update to the list of CPT/HCPCS used for the specific data collection year in the run. A similar update was made to the PY2015 rerun, however the updated CPT/HCPCS list was not applied correctly. CMS will make these corrections in a future rerun of PY2015. Medicare Advantage and Prescription Drug (MARx) payment adjustments as a result of this risk score run will be identified on the MMR by the Adjustment Reason Code (ARC) 25 – Part C Risk Adjustment Factor Change/Recon and ARC 37 – Part D Risk Adjustment Factor Change.

For questions relating to overpayments, please email riskadjustmentpolicy@cms.hhs.gov and specify “HPMS memo – Rerun of Payment Year (PY) 2016” in the subject line. For all other questions related to this memo, please email riskadjustmentoperations@cms.hhs.gov and specify “HPMS memo - Rerun of Payment Year (PY) 2016.”