

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



CENTER FOR MEDICARE

DATE: August 21, 2020

TO: Medicare Advantage (MA) and Medicare Advantage Prescription Drug (MAPD) plans, Demonstrations, and Program of All-Inclusive Care for the Elderly (PACE) organizations

FROM: Jennifer Shapiro, Director, Medicare Plan Payment Group

SUBJECT: 2021 Full Risk Contract Option Election

The purpose of this memorandum is to remind Medicare Advantage Organizations (MAOs), Demonstrations, and PACE Organizations that they have the choice of payment options for enrollees who have 12 months of entitlement to Part A and less than 12 months of Part B enrollment during the data collection year. MAOs, Demonstrations, and PACE organizations can be paid for these enrollees as either “full risk” or “new enrollee” beneficiaries. MAOs, Demonstrations, and PACE organizations can choose this option for their Part C and Part D risk scores.

As finalized in the Announcement of Calendar Year (CY) 2006 Medicare Advantage Payment Rates, beneficiaries with 12 months of entitlement to Part A and less than 12 months of Part B enrollment during the data collection period (referred to as “Part A-only” enrollees for purposes of this memo) are considered new enrollees for the purpose of risk adjusted payments. If they choose, organizations may elect to have CMS determine payments for all “Part A-only” enrollees using the full risk adjustment score. A decision to treat all Part A only beneficiaries enrolled in a contract as full risk is typically made when an organization believes that the diagnoses from Part A benefits will result in a risk score that is higher than a new enrollee risk score. **The organization’s decision will be applied to all “Part A-only” enrollees in the contract.**

Organizations that wish to elect the Full Risk option for their Part A-only enrollees may access the Full Risk Contract Option Election Data screen by following this path in the Health Plan Management System (HPMS):

HPMS Home Page > Contract Management > Basic Contract Management > Select Contract ID > Part A/B Full Risk Option Data.

MAOs, Demonstrations, and PACE organizations that have not made the Full Risk Option election in prior years have had this option auto-populated to read “No” within HPMS. MAOs,

Demonstrations, and PACE organizations who want to elect this option must make the change for payment year 2021 on the “Update Part A/B Full Risk Option Election Data” screen, **no later than September 18, 2020.**

CMS will only apply the Full Risk Option election during final reconciliation for a payment year (that is, it will not be applied prospectively).

For questions specifically regarding the functionality within HPMS module for the 2021 Full Risk option, please contact the CMS HPMS Help Desk at hpms@cms.hhs.gov.

For questions related to the 2021 Full Risk Contract Option election, please contact the CMS Risk Adjustment mailbox at riskadjustmentpolicy@cms.hhs.gov.

Thank you.