



MEDICARE-MEDICAID COORDINATION OFFICE

DATE: June 15, 2021

TO: Medicare-Medicaid Plan Operating in the New York FIDA-IDD Demonstration

FROM: Lindsay P. Barnette
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SUBJECT: CMS Update on Medicare A/B Payments for New York FIDA-IDD MMP

This memorandum provides the Medicare-Medicaid Plan (MMP) operating in the Fully Integrated Duals Advantage for individuals with Intellectual and Developmental Disabilities (FIDA-IDD) demonstration under the Medicare-Medicaid Financial Alignment Initiative with an update regarding Medicare A/B payments. Beginning in calendar year (CY) 2021, the New York FIDA-IDD MMP will be eligible to receive the frailty adjustment available to fully integrated dual eligible special needs plans (FIDE SNPs). This change better aligns financing across the demonstration and Medicare Advantage (MA).

Background on Frailty Adjustment

In 2012, CMS began adjusting payments of FIDE SNPs based on the average frailty of their members. 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.”

Beginning in CY 2021, the New York FIDA-IDD MMP was considered for frailty, using the same criteria that is used for FIDE SNPs. To determine whether the New York FIDA-IDD MMP has a similar average level of frailty as the PACE program, CMS compares the New York FIDA-IDD MMP frailty score with the lowest frailty score from 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) or Health Outcomes Survey-Modified (HOS-M) from the year prior to the payment year. For payment year 2021, CMS used the 2020 HOS/HOS-M to determine a frailty score for the New York FIDA-IDD MMP.

Frailty Payment for 2021 and Beyond

CMS will apply the same methodology to the NY FIDA-IDD MMP that we use to determine frailty payments for FIDE SNPs. CMS will make frailty payments if the MMP (1) yields at least **30** responses to the HOS or HOS-M for the MMP and (2) has a frailty score that meets the PACE level of frailty. For more information on the frailty model and methodology used to pay FIDE SNPs, please reference applicable Advance Notices and Announcements.

For CY 2021, frailty score results are posted in the Health Plan Management System (HPMS) and incorporated into payment as of June 2021, as described in the CMS memorandum issued through HPMS, “Medicare Advantage/Prescription Drug System (MARx) April 2021 Payment – INFORMATION,” released on March 30, 2021.

Requirements for New York FIDA-IDD MMP to Receive Frailty Adjustment in 2022

In addition, we are providing information on the option for participation in the 2021 HOS or HOS-M to support the calculation of a frailty score for 2022 payment.

Consistent with the process for FIDE SNPs, the New York FIDA-IDD MMP may elect to participate in either the HOS or HOS-M for the 2021 survey. Participation in the HOS or HOS-M is an option where:

- The contract exists as of January 1, 2020.
- The Plan Benefit Package (PBP) for the MMP exists as of January 1, 2021.
- The PBP to be surveyed has at least 50 enrollees.

CMS will advise the New York FIDA-IDD MMP if they lack sufficient enrollment to field the HOS or HOS-M.

All HOS and/or HOS-M survey costs are the responsibility of the MMP through its HOS or HOS-M survey vendor contract.

Additional information on the 2021 HOS/HOS-M for 2022 payment, including the criteria for participating in the HOS or HOS-M, available survey vendors, and HOS and HOS-M protocols, may be found in the February 1, 2021 CMS memorandum issued through HPMS, “Participation in the 2021 HOS/HOS-M for MA Organizations Planning to Sponsor FIDE SNPS in 2022 – Response Needed by Friday February 26, 2021.”

Please contact the Medicare-Medicaid Coordination Office at MMCOCapsModel@cms.hhs.gov if you have any questions.