



Encounter Data Medicare Advantage Payment Topics – A Year in Review Encounter Data & Risk Adjustment

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Presentation Overview

CMS will provide an update on Medicare Advantage payment activities, including an update on encounter data submissions and risk adjustment policies.

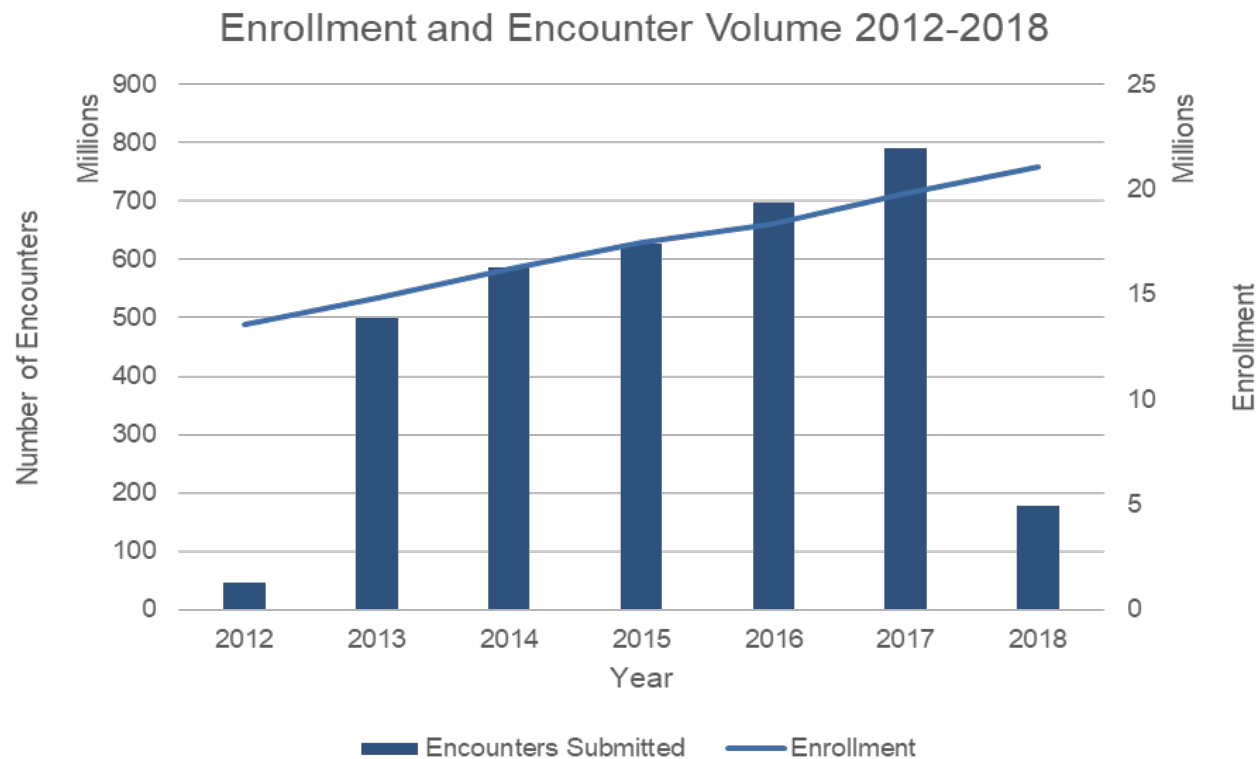


Encounter Data

- Submission Volume
- Submission Forecast
- Data Integrity Activities
- Communications



Current State of Submissions: Volume



Forecast for 2018: 800M records



Submission Forecast

Time Period	Forecast (in Millions of Encounters)
March 2018	66
CY 2018	800
CY 2013 – 2018	4,000



- **Core Activities**

1. Analysis
2. Communication with MAOs
3. Monitoring
4. Compliance



Communications with MAOs

CMS undertakes a number of communications activities with stakeholders aimed at soliciting feedback and providing guidance and technical assistance to continually improve the encounter data submission process.



Communications with MAOs (continued)

Recent Guidance

- Population of specific data fields on encounter data
- Submission of NPI on encounter data
- Medicare Card project and submission of risk adjustment data (RAPS and encounter data)
- Use of chart review records
- Upcoming: Consolidated encounter data submission guide
- Upcoming: More user-friendly csscooperations website



Risk Adjustment – Year in Review

- 2019 Risk Adjustment Model Work
- Model Development
- 2019 Risk Adjustment Models Overview
- Risk Score Run Schedule
- Highlights of Memos and Guidance Released
- Next Steps



21st Century Cures Act – Risk Adjustment

Main Driver of Risk Adjustment Work for 2019:

21st Century Cures Act requires us to make improvements to Risk Adjustment for 2019 and subsequent years.

Section 1853(a)(1)(I)(i)(I) of the Social Security Act (42 U.S.C. 1395w–23(a)(1)(I)(i)(I)), as added by section 17006(f) of the 21st Century Cures Act.



21st Century Cures Act – CMS-HCC Model

The agency is, among other things, specifically directed to evaluate the impact of including in the risk adjustment model:

1. Additional diagnosis codes related to mental health and substance use disorders, and
2. The severity of chronic kidney disease

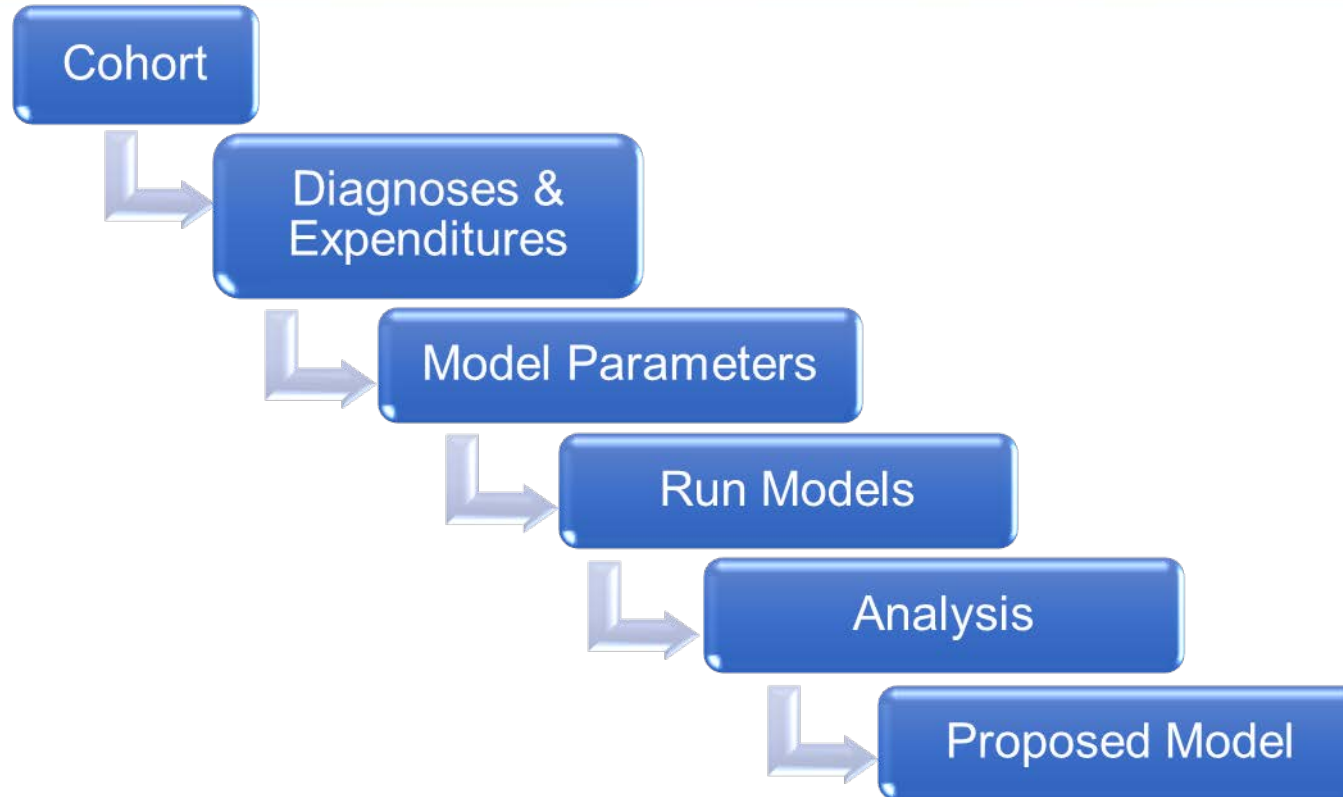


21st Century Cures Act – CMS-HCC Model (continued)

- Take into account the total number of diseases or conditions of an individual enrolled in an MA plan by making an additional adjustment as the number of diseases or conditions of an individual increases.
- Phase-in any changes to risk adjustment payment over a 3-year period, “beginning with 2019, with such changes being fully implemented for 2022 and subsequent years.”



Model Development



Model development start to finish
can take between
8 to 24 months
depending on the type of
alterations being researched



2019 CMS-HCC Model

- Clinical evaluations
 - Mental health
 - Substance use disorders
 - Chronic kidney disease
- Evaluation of adding a count of conditions to the model
- Additional updates
 - Update to the data years
 - Update to the method used for diagnosis selection to align with encounter data filtering method



2019 CMS-HCC Model Clinical Evaluation (1 of 3)

Evaluated the conditions below for inclusion in the model, based on select principles:

- Evaluated substance use disorder and mental health-related condition categories
- Evaluated the chronic kidney disease condition categories not in the model
- Reviewed subsets of diagnosis codes in other pertinent condition categories



2019 CMS-HCC Model Clinical Evaluation (2 of 3)

*Used criteria
based on
established
principles to
evaluate the
inclusion of
condition
categories*

Clinically meaningful

Predict medical expenditures

**Does not comprise
discretionary diagnoses**



2019 CMS-HCC Model Clinical Evaluation (3 of 3)

- Evaluated diagnosis specificity and clinical significance
- Consulted clinicians and clinical treatment guidelines
- Re-mapped diagnoses where relevant and created HCCs with more clinical specificity and better medical expenditure prediction
- Re-evaluated hierarchies where pertinent
- Assessed the predictive accuracy
- Proposed adding four new HCCs to the model



Added the following condition categories (HCCs) to the model:

- Substance Use Disorder, Mild, Except Alcohol and Cannabis (HCC 56)
- Reactive and Unspecified Psychosis (HCC 58)
- Personality Disorders (HCC 60)
- Chronic Kidney Disease, Moderate (Stage 3) (HCC 138)
- Added selected drug and alcohol “poisoning” (overdose) codes to existing “Drug/Alcohol Dependence,” to create “Substance Use Disorder, Moderate/Severe, or Substance Use with Complications” (HCC 55)



2019 CMS-HCC Model Research

- For initial research, used a single community segment of the 79 HCC model
- Estimated models that varied by which HCCs were counted
 - Payment conditions
 - All conditions (payment & non-payment)
- Estimated models that varied by how conditions were counted



2019 CMS-HCC Model Evaluation

Evaluated model performance:

- Primarily based on predictive ratios
- Assessed improved prediction by deciles of risk
- Assessed improved prediction for beneficiaries with multiple chronic conditions
- Improvement considered a predictive ratio closer to 1.0



2019 CMS-HCC Model Specifications

Updated Model without Count Variables

- Demographic variables
- HCC variables
 - 4 additional HCCs
- Interactions
- Hierarchies

Payment Count Model

- Demographic variables
- HCC variables
 - 4 additional HCCs
- Count variables
 - Payment HCCs only
 - Counter starts between 4-6 HCCs
 - Counter capped at 10+
- Interactions
- Hierarchies

All Count Model

- Demographic variables
- HCC variables
 - 4 additional HCCs
- Count variables
 - Payment & non-payment HCCs
 - Counter starts between 1-10
 - Counter capped at 15+
- Interactions
- Hierarchies



2019 CMS-HCC Model

- For payment year 2019, we will implement the updated CMS-HCC model without count variables:
 - Incorporates the proposed additional conditions,
 - Updates the data years used to calibrate the model to 2014/2015, and
 - Selects diagnoses for calibration with the CPT/HCPCS-based methodology
- For 2020, plan to begin the phase-in of the proposed “Payment Condition Count” model



21st Century Cures Act – ESRD Model

Allows all Medicare beneficiaries with ESRD to enroll in Medicare Advantage plans beginning in 2021 (i.e., move from Fee-for-Service Medicare to Medicare Advantage), in addition to those already enrolled in Medicare Advantage plans.

42 CFR § 422.50



2019 ESRD Model Recalibration

For payment year 2019, we will implement the recalibrated ESRD dialysis and ESRD functioning graft model:

- Updated the underlying data for the components of the ESRD model: dialysis, transplant, and post-graft
- Updated the application of Medicaid factors to be concurrent with the payment year
 - Operationally align with the Part C model



Encounter Data as a Source of Diagnoses

Encounter Data as a Diagnosis Source for 2019 (non-PACE):

We will calculate 2019 risk scores by adding 25% of the risk score calculated using encounter data (supplemented with RAPS inpatient data) and FFS diagnoses with 75% of the risk score calculated using RAPS and FFS diagnoses.

Encounter Data as a Diagnosis Source for 2019 (PACE):

We will continue to calculate risk scores for PACE organizations by pooling risk adjustment-eligible diagnoses from encounter data, RAPS, and FFS claims (with no weighting) to calculate a single risk score.



Application of Models for Risk Score Calculation

Part C

- **2017 CMS-HCC model**
 - 75% using diagnoses from RAPS and FFS
- **2019 CMS-HCC model**
 - 25% using diagnoses from ED, RAPS inpatient and FFS

ESRD

- **2019 ESRD model**
 - 75% using diagnoses from RAPS and FFS
 - 25% using diagnoses from ED, RAPS inpatient and FFS

Part D

- **Same model being used for 2018**
 - 75% using diagnoses from RAPS and FFS
 - 25% using diagnoses from ED, RAPS inpatient and FFS

PACE

- **Same Part C model being used for 2018; same Part D and ESRD models used for other plans**
 - Using diagnoses from RAPS, ED and FFS in equal measure (no weighting)



Risk Score Run Schedule

- Extended encounter data deadlines for 2016 and 2017:
 - Facilitate the submission of complete encounter data
- Extended RAPS deadline for 2017:
 - Facilitate submission of data that may have been delayed due to extreme weather conditions
- Deadline for Submitting Risk Adjustment Data for Use in Risk Score Calculation Runs for Payment Years 2018, 2019, and 2020
- 2018 Risk Score Reruns for Purposes of Overpayment Recovery



Highlights – Memos & Guidance

- ***Report Updates & Submission Guidance:***
 - Changes to Payment Year (PY) 2016 Final Model Output Report (MOR)
 - Updates to Payment Years (PY) 2017 and 2018 Model Output Report (MOR)
 - RAPS Submission of Data Collection Year Diagnosis Codes



Next Steps & Ongoing Research

Evaluations:

- The 21st Century Cures Act requires CMS to evaluate the CMS-HCC risk adjustment model and the ESRD model.
- Evaluation to be completed and submitted in a report to Congress by December 31, 2018.
- Evaluation will include a wide range of predictive ratios, for various groups, including groups with varying levels of risk and numbers of chronic conditions.
 - For an earlier evaluation, see our 2011 evaluation on the risk adjustment web page.



Next Steps & Ongoing Research (continued)

Ongoing research on ICD-10 for future model calibration:

- Assessment of the diagnosis groupings for the Part C and Part D models
- Full clinical evaluation of ICD-10 to HCC and RxHCC mappings
- Reclassification of mappings where pertinent to better reflect ICD-10 diagnosis code classification
- Analysis of model calibrations for coefficient stability and predictive accuracy