

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

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**DATE:** October 2, 2019

**TO:** All Medicare Advantage (MA) Organizations and Demonstrations

**FROM:** Jennifer R. Shapiro, Acting Director, Medicare Plan Payment Group  
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**SUBJECT:** Participation in 2020 HOS for MA Organizations Planning to  
Sponsor FIDE SNPs in 2021 – Response Needed by Thursday, October 31, 2019

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 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) from the year previous to the payment year. For payment year 2021, CMS will use the 2020 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 2021 and want to be considered for a frailty payment must participate in the 2020 HOS or HOS-M to allow CMS to calculate their frailty score.

If an MA organization believes they will sponsor a FIDE SNP in 2021 and wishes to participate in the 2020 HOS or HOS-M to support the calculation of a frailty score for 2021 payment, they must email [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov) with “2020 HOS – H#####” in the subject line, no later than **Thursday, October 31, 2019**. The information you need to provide is at the end of this memo.

## **Participation in HOS or HOS-M for Purposes of Measuring Frailty**

As with the 2019 survey, MA organizations that anticipate sponsoring a FIDE SNP in 2021 may elect to participate in either the HOS or HOS-M at the plan benefit package (PBP) level for the 2020 survey depending on the criteria below:

1. The contract has less than 500 enrollees. The contract is not required to participate in HOS for quality reporting purposes. The plan sponsor may choose either the HOS or HOS-M to measure frailty for their FIDE SNP(s).
2. The contract has 500 or more enrollees and all of the enrollees are needed for the HOS for quality reporting. The contract is required to participate in HOS for quality reporting purposes. The plan sponsor must use the HOS to measure frailty for their FIDE SNP(s). They cannot participate in HOS-M.
3. The 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(s) who are available to be sampled. The plan sponsor may choose to either participate in the HOS or HOS-M to measure frailty for their FIDE SNP(s).

For contracts with at least 500 enrollees, the HOS survey will still be fielded at the contract level to meet MA quality reporting requirements. For FIDE SNPs that are part of larger MA contracts, supplemental sampling of the FIDE SNP population at the PBP level will be conducted as a secondary step once the sampling for the contract is complete. CMS will advise plan sponsors that have chosen to sign up for the HOS-M for their FIDE SNP if they lack sufficient enrollment to field the HOS-M in late November 2019.

## **Requirements for Participation of a PBP in the 2020 HOS or HOS-M, for Purposes of Measuring Frailty**

The requirements for participating in the HOS or HOS-M are as follows:

- The contract must exist as of January 1, 2019.
- The PBP that will be the FIDE SNP in 2021 must exist as of January 1, 2020.
- The PBP to be surveyed in 2020 does not have to meet FIDE SNP requirements in order to be surveyed, but it should be a Dual Eligible SNP in 2020.
- The PBP to be surveyed must have at least 50 enrollees. CMS will sample up to 1,200 enrollees in each PBP, if available, but having at least 50 enrollees better ensures the minimum of 30 respondents needed to calculate frailty scores.

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 or HOS-M survey vendor contract. Please note that there is only one survey vendor fielding the HOS-M. If a plan sponsor decides to participate in HOS-M, they

must contract with DataStat, Inc. 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 CMS-approved HOS survey vendors, please visit the CMS HOS website at <http://www.hosonline.org>.

Please note: In late November, NCQA will distribute the annual HOS Survey Administration memo to MAOs by email. The memo will include detailed information regarding the 2020 HOS and HOS-M survey administration, as well as a list of plans that have been identified to participate in each survey for frailty consideration. FIDE-SNPs should thoroughly review the memo and confirm the accuracy of the plan information listed in this memo.

### **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. 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 or HOS-M data will be considered invalid.
2. 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. 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**

2021 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. Any changes to the methodology used to determine frailty payments for 2021 will be provided in the 2021 Advance Notice and Rate Announcement.

For informational purposes only, below is the distribution of ADL limitations across all PACE organizations based on the 2019 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
17%	0.24%	27%	0.37%	24%	0.26%	30%	1%

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 2021 and wants to participate in the 2020 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 “2020 HOS -- H####” in the subject line. As stated earlier in the memo, all of this information **must be provided by Thursday, October 31, 2019** in order for the designated PBP(s) to be sampled.

1. Contract number.
2. PBP number(s) for each PBP you want surveyed in 2020.
3. Confirm that the PBP(s) will be Dual Eligible SNPs (or FIDE SNPs) in 2020.
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 that are interested in using the HOS-M to measure frailty of whether their PBPs have sufficient enrollment to support using the HOS-M by mid-November 2019.

If an MA organization later determines they want to remove their FIDE SNP from the 2020 HOS or HOS-M for the purpose of CMS determining a frailty score for 2021 payment, they must **inform [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov) no later than January 4, 2020.**

Further information about the 2020 HOS and HOS-M will be sent directly to participating plans in late November 2019. Thank you.