

Medicare Advantage Payment Year 2022 Advance Notice – Part 1

Pulse8 Active Intelligence Brief: Expert Insights October 2020

PULSE8 is privileged to bring you a summary of key Medicare Advantage program changes for Payment Year 2022. This year's changes continue the implementation of improvements to the risk adjustment program as required by the 21st Century Cures Act of 2016. Additionally, this Brief addresses CMS' recent announcement for an additional reconciliation run for Payment Year 2020.

Headline: RAPS to be Retired

According to the PY2022 Advance Notice, CMS is proposing to sunset the 15+ year-old Risk Adjustment Processing System (RAPS) data submission protocol, wholly replacing this *retrospective* data submission protocol with the *concurrent* Encounter Data Processing System (EDPS) protocol.

Key Changes

- Risk score calculation: 0% RAPS submissions data, 100% EDPS submissions data
- Retirement of the 2017, Version 22 CMS-HCC model used for RAPS data risk score calculation
- 100 % EDPS Facility/Inpatient and Professional claims data scored through the 2020, Version 24 CMS-HCC Model with 100% inclusion of Payment Condition Count risk scores

Deeper Dive into the Proposed Changes

CMS-HCC Risk Adjustment Model / Submission Protocol History and Comparison

Figure 1

Payment Year / Service Year	RAPS Risk Adjustment Model	RAPS Blend Rate	EDPS Risk Adjustment Model	EDPS Blend Rate	Payment Condition Count Risk Score Blend Rate (EDPS Only)
2016 / 2015	2014 - V22	90%	2014 - V22	10%	N/A
2017 / 2016	2017 - V22	75%	2017 - V22	25%	N/A
2018 / 2017	2017 - V22	85%	2017 - V22	15%	N/A
2019 / 2018	2017 - V22	75%	2019 - V23	25%	25%
2020 / 2019	2017 - V22	50%	2020 - V24	50%	50%
2021/ 2020	2017 - V22	25%	2020 - V24	75%	75%
2022 / 2021	2017 - V22	0%	2020 - V24	100%	100%

*Chart compiled from CMS Final Notices over the last six years.

As displayed in Figure 1, starting with Payment Year 2016, CMS included EDPS submissions in the risk score calculation for MA plans, announcing their intention to phase in EDPS as a full replacement of RAPS over the coming years. There had been different “EDPS phase-in / RAPS phase-out” schedules until the CMS Payment Year 2019 Announcement from April of 2018, which laid out a four-year schedule to meet the directives of the to the 21st Century Cures Act of 2016. The just released Advance Notice for PY2022 keeps with the Cures Act schedule, **finally moving MA risk adjustment calculation to one model for one submission protocol.**

Impact: *All aspects of the EDPS process (submissions specifications and data processing edits) are significantly more extensive than RAPS, triggering significant workflow roadblocks. As a result, the volume of accepted claims data for risk score calculation is lower for EDPS than for RAPS. In fact, starting with PY19/SY18, CMS altered their EDPS risk score methodology to include diagnoses from RAPS inpatient submissions, as these claims are especially problematic. Indeed, as this Brief is being drafted, CMS dispatched a Health Plan Management System (HPMS) memo entitled, “Encounter Data System – Edit for Missing Admission Diagnosis Code and Risk Adjustment Model Run Impact”. See end of Brief for details.*

Pulse8 Insights: *Medicare Advantage health plans should scrutinize and amplify their workflow controls for EDPS submissions to minimize drops in average risk scores due to incomplete or missing submissions. They should review, assess, and strategize solutions for maximum EDPS submissions performance, with added focus on inpatient facility data submissions.*

EDPS is but one data submissions workflow and more are sure to follow. Health insurance carriers will need solutions for the entire spectrum of Electronic Data Interchange (EDI) operations. It is important that plans install an umbrella approach to EDI as opposed to having siloed teams for each program. Compounding the downward trajectory of risk scores due to the 100% blend rate of EDPS submissions are the comparatively lower coefficient values of the CMS-HCC 2020-V24 model than values of the 2017-V22 model. To claw back risk score averages affected by the final shift to EDPS/2020-V24 model, MA plans should focus on two basic strategies:

- 1. Augment the volume, frequency, and methods of intervention gap closure programs*
- 2. Educate/facilitate/promote synchronous audio-visual telehealth PCP encounters (at the end of this Brief is an excerpt from Pulse8’s telehealth industry Brief from this past spring with more detail)*

CMS Announces Additional Reconciliation Run for PY2020

CMS released an HPMS on September 18, 2020 notifying Medicare Advantage plans that there will be an additional reconciliation run for PY2020 (dates of service in 2019) for RAPS and EDPS data submissions with a deadline of Monday August 2, 2021. This sweeps date and run for PY2020 is in addition to the traditional February 1st deadline.

Impact: MA plans will have an extra six months to submit HCC ICD10 diagnoses from retrospective, Medical Record Review (MRR) projects on 2019 service dates, providing plans with an opportunity to conduct additional chart reviews and ultimately close a greater number of open HCC gaps.

Pulse8 Insight: Health plans should embrace this opportunity by planning additional or expanded MRR campaigns. The ideal MRR process is one in which open conditions are identified as likely to be supported on a specific provider “chart” on an EMR to which the plan or its vendor has direct access, thereby reducing provider abrasion and streamlining the entire MRR workflow.

HPMS memo, October 1, 2020: Encounter Data System – Edit for Missing Admission Diagnosis Code and Risk Adjustment Model Run Impact

An edit in the front-end processing system of EDPS for institutional encounter data from January 2020 incorrectly rejected inpatient encounter and chart review records data with a missing admitting diagnosis code. CMS corrected the flaw on April 30, 2020. Encounter data records and chart review records submitted between – and including – the months of January 2020 and April 2020 are impacted.

“Medicare Advantage Organizations (MAOs) may resubmit previously submitted encounter data that were rejected as a result of the edit update. **MAOs should resubmit these encounters by 8:00 PM ET on October 16, 2020.**”

The rejections occurred at the 277CA level of processing and returned an edit code of A6:>CSSC 232.

Telehealth for Medicare Advantage Risk Score Calculation

On April 10, 2020, CMS released an HPMS memo: “Applicability of diagnoses from telehealth services for risk adjustment”. The memo cited the COVID-19 stay-at-home protocols as sound reason to expand the use of telehealth for risk adjustment: “CMS is stating that Medicare Advantage (MA) organizations and other organizations that submit diagnoses for risk adjusted payment are able to submit diagnoses for risk adjustment that are from telehealth visits...”

April 10, 2020 HPMS memo Bullet Points:

- Telehealth visits in a real-time audio/video virtual setting meet the “face-to-face” requirement for risk adjustment submission
- Telehealth from audio-only services do not meet the “face-to-face” requirement and are not allowed for risk adjustment submission
- Telehealth visits allowed for risk adjustment submission, qualify for both RAPS & EDPS submission formats