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DATE: April 7, 2021

TO: Selected Fully Integrated Dual Eligible (FIDE) Special Needs Plans (SNPs)

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: 2021 Frailty Scores and 2020 Health Outcomes Survey (HOS) or Health Outcomes Survey Modified (HOS-M) Activities of Daily Living (ADLs) Results

CMS invited Medicare Advantage Organizations (MAOs) that expected to sponsor a fully integrated dual eligible special needs plan (FIDE SNP) in 2021 to participate in the 2020 Medicare Health Outcome Survey (HOS) (see HPMS memo dated October 2, 2019, entitled “Participation in 2020 HOS for MA Organizations Planning to Sponsor FIDE SNPs in 2021”). MAOs that believed they would sponsor a FIDE SNP in 2021, and who wished to participate in the 2020 Medicare HOS or HOS-M for their FIDE SNP population, were to inform CMS by October 31, 2019 of their decision. Your MAO elected to participate in the 2020 HOS or HOS-M at the plan benefit package (PBP) level.

The purpose of this memo is to inform you that the frailty scores have been posted to HPMS in the risk adjustment module, under “Survey Results for Frailty Adjustment.” For qualifying plans, CMS adds each plan’s frailty score to the risk score of non-ESRD, community residing enrollees, aged 55 and over, when calculating payment. In certain cases where a plan elects to field the HOS-M, depending on the availability of enrollees to be surveyed, a PBP will have both HOS and HOS-M results. In these cases, CMS calculated frailty using the data from both instruments, and the frailty score used for frailty payment is the higher of the two.

The criteria for PBPs to receive a frailty adjustment in Payment Year (PY) 2021 are listed below. PBPs must:

- Meet the contract requirements to be a FIDE SNP (capitated contracts with States for Medicaid benefits, including long-term care).
- Be operational by January 1, 2020 and be part of a contract that was operational in January 2019.
- Have greater than or equal to 30 respondents to the HOS or HOS-M survey.
- Have greater than or equal to the minimum of the range of PACE frailty (0.070 for PY 2021).

Under section 3205(b) of the Affordable Care Act (ACA), CMS may pay a frailty adjustment to fully integrated dual eligible (FIDE) SNPs if the SNP has similar average levels of frailty to the PACE program. FIDE SNPs are also required by the ACA to have capitated contracts with States for Medicaid benefits, including long-term care.

We identified the minimum of the range of 2021 PACE frailty scores and compared that to 2021 FIDE SNP frailty scores. For an equitable comparison, we calculated both the PACE range of frailty scores (i.e., to identify the PACE minimum of the range) and the FIDE SNP frailty scores using the FIDE SNP frailty factors. In order to calculate a frailty score for payment, a minimum number of 30 respondents for your plan was needed. The PACE range of frailty was based on the PACE organizations with at least 100 respondents and the minimum of this range is equal to 0.070 for PY 2021. FIDE SNPs that do not meet these requirements will not receive a payment adjustment for frailty in 2021. For more information regarding how your frailty score was calculated, as well as the HOS ADL or HOS-M ADL results for your plan, please refer to the technical notes and information posted on HPMS in the risk adjustment module, under “Survey Results for Frailty Adjustment.”

For qualifying plans, the PBP’s frailty score will be added to the applicable beneficiaries’ risk scores. A flag on the Monthly Membership Report (MMR) will indicate that the frailty score has been applied. As indicated in the memo released on March 30, 2021 entitled “Medicare Advantage/Prescription Drug System (MARx) April 2021 Payment,” we anticipate the frailty adjustment will be applied in June 2021 payment due to changes in the timing of the HOS/HOS-M administration resulting from the COVID-19 Public Health Emergency. Retroactive payment adjustments back to January 2021 will appear on the Monthly Membership Report (MMR) using Adjustment Reason Code (ARC) 18 – Part C Rate Change.

If you meet all the requirements to receive 2021 frailty and frailty is not applied in the June payment, please contact the Medicare Advantage Prescription Drug (MAPD) Help Desk via phone at 1-800-927-8069 or mapdhelp@cms.hhs.gov. The hours of operation are Monday-Friday 8 a.m. to 6 p.m. ET.

If you have any further questions, please email RiskAdjustmentPolicy@cms.hhs.gov and specify “2021 Frailty” in the subject line.