DISTRIBUTED DATA COLLECTION (DDC) FOR REINSURANCE (RI) AND RISK ADJUSTMENT (RA):

INTERIM RA SUMMARY REPORT OUTLIER ANALYSIS

February 2, 2016

Health Insurance Exchange Program Training Series

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

HTTPS://WWW.REGTAP.INFO/

Agenda

- Session Guidelines
- Intended Audience
- Purpose
- Overview of Interim EDGE Outlier Analysis
- Overview of the 2015 Benefit Year Interim RA Summary Report
- Eligibility Criteria for Interim RA Summary Report
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- Resources
- Closing Remarks

Session Guidelines

- This is a 90-minute webinar session.
- For questions regarding content and the DDC program, please contact your Financial Management (FM) Service Representative directly and copy the Centers for Medicare & Medicaid Services (CMS) Help Desk (CMS_FEPS@cms.hhs.gov).
- For questions regarding logistics and registration, please contact the Registrar at: (800) 257-9520.

Intended Audience

- Issuers of Marketplace and non-Marketplace plans, in states where the Department of Health and Human Services (HHS) operates the RA program
- Third Party Administrators (TPAs) and Support Vendors
- Amazon and On-Premise EDGE server issuers (Marketplace and non-Marketplace)

Purpose

- This session provides issuers and Third Party Administrators (TPAs) information on the interim risk adjustment outlier analysis and associated criteria CMS will use to determine eligibility for the interim Risk Adjustment Summary Report for the 2015 Benefit Year.

Overview of Interim EDGE Outlier Analysis

Data Quality Responsibilities

- CMS manages a program in which 800 individual issuers submit data to EDGE servers.
- CMS established a process to identify outliers as a key safeguard of program oversight.
- CMS does not have the same knowledge that issuers have of their own data and CMS cannot detect data quality anomalies that fall within the normal distribution of data (i.e. data that is not an outlier).
- Issuers are responsible for ensuring the completeness and accuracy of all data submitted to their EDGE servers.

Data Analysis

- Two (2) types:
  - Quantity:
    - Enrollment and claims data do not meet expected quantity values when compared to issuer reported baseline data for a state Market (Individual or Small Group).
    - The standard is 90% of enrollment data and 90% of claims data submitted.
    - The standard includes a period of time for the data; e.g. 90% of three (3) quarters of data for a benefit year.
  - Data Outlier Analysis
    - Based on program specific metrics (see next slide).
      - » EDGE
      - » RI
      - » RA

Outlier Metrics

Data Quality/Sufficiency Evaluation Metrics Key Metrics	Area
Percent of all enrollees with at least one (1) Hierarchical Condition Category (HCC)	Risk Adjustment
Average number of conditions per enrollee with at least one (1) HCC	Risk Adjustment
Issuer average risk score	Risk Adjustment
Average number of Diagnosis Codes per medical claim	Risk Adjustment
Average premium per member per month	Risk Adjustment
Percent of Individual Market enrollees with RI payments	Reinsurance
Average RI payment per enrollee receiving RI payment	Reinsurance
Claims per enrollee ratio	EDGE Claims/Enrollment
Percent of enrollees without claims	EDGE Claims/Enrollment
Percent of medical claims that are institutional claims	EDGE Claims/Enrollment
Percent of claims that are pharmacy claims	EDGE Claims/Enrollment

What Does Identification as an Outlier Mean?

- Do not be alarmed if your data is identified as an interim outlier.
- There could be unique factors that make your data appear different.
- CMS uses interim outlier analysis as early detection of **possible** data issues:
  - Allows issuers to explain why their data looks different
  - Allows issuers to correct problems before the final submission deadline

What Does Identification as an Outlier Mean? (Continued)

- If an issuer is identified as an interim outlier for any metric, then CMS requires a justification to be submitted to CMS by a specified date.
- If the justification is accepted by CMS, then an issuer will no longer be an outlier.
  - A CMS accepted justification also means that an issuer will no longer be identified as an outlier for subsequent EDGE/RI/RA runs, unless CMS observers a quantity reduction from previous quantity statistics.

Guidance on Interim Data Quantity & Quality

- CMS guidance on interim EDGE data quality standards and processes for the 2015 Benefit Year are located on the Center for Consumer Information and Insurance Oversight (CCIIO) website at: https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Evaluation_of_EDGE_Data_Submissions_for_2015_Benefit_Year_for_Interim_Reinsurance_Payments_and_Interim_Risk_Adjustment_S.pdf

Outlier Analysis Schedule

- CMS conducts interim quantity and quality outlier analysis after each EDGE server data submission deadline and EDGE/RI/RA calculation runs.
- Schedule:
  - 1/9/2016: submission date specific outlier analysis
  - 2/2/2016: submission date specific outlier analysis
  - 3/4/2016: submission date specific outlier analysis
  - 3/11/2016 to 4/15/2016: ongoing interim outlier analysis
  - 5/2/2016: final data submission deadline; commencement of final data outlier analysis
- Issuers who receive data outlier notices during the interim analysis and who submit acceptable explanations do not need to re-submit explanations after final deadline.

Outlier Analysis Schedule (Continued)

- May 2, 2016 is the final data submission deadline.
- Additional or corrected data will not be accepted after this date, so any outliers first identified on May 2, 2016 will require an explanation or will represent a data quality failure.
- Claims data should be submitted by interim deadlines, with the months of March and April used to fill in gaps and make minor corrections to avoid new data quality issues on May 2, 2016.
- CMS recommends that issuers submit final enrollment data no later than April 14, 2016 to avoid any late surprises.
- Timely submissions and minimizing late changes will prevent outliers from being identified in May.
- Again, use the interim process to get issues addressed and corrected.

Overview of the 2015 Benefit Year Interim RA Summary Report

Overview

- CMS published Frequently Asked Question (FAQ) 14572 in the Inquiry Tracking and Management System (ITMS), announcing that CMS may provide an interim RA Summary Report for the 2015 Benefit Year.
- Issuers who **meet certain data quality and quantity requirements** will also receive an issuer specific interim RA Transfer Report if the state Market is included in the interim RA Summary Report.

Overview (Continued)

- The interim RA Summary Report will be based on data submitted and used for the February 2, 2016 EDGE RA run.
- CMS will notify issuers if they are identified as outliers in any key metric.

Eligibility Criteria for Interim RA Summary Report

1. Quantity

- Issuers must have successfully submitted at least 90% of enrollment data and 90% of claims data for the first three (3) quarters of the 2015 Benefit Year by **February 2, 2016**.
- If an issuer fails to meet the data quantity threshold, then the issuer will receive a notification letter regarding the implications of data quantity and the will not be included in the data quality evaluation process.
- Issuers excluded from the interim RA Summary Report should continue to load data to their EDGE servers by the May 2, 2016 data submission deadline as part of the standard RA data submission, validation, calculation and payment process.

2. Quality

- Outliers are identified for each RA metric and each EDGE metric.
- Issuers are assessed by Market and enrollee count.
  - Group 1: 10,000 enrollees or more
  - Group 2: < 10,000 enrollees
- For each Market, CMS will establish a national distribution for each metric.

Key Metrics

Claims per enrollee ration	**EDGE Claims/Enrollment**
Percent of enrollees without claims	**EDGE Claims/Enrollment**
Percent of medical claims that are institutional claims	**EDGE Claims/Enrollment**
Percent of claims that are pharmacy claims	**EDGE Claims/Enrollment**

2. Quality: RA Data Sufficiency

Metrics used for evaluating data sufficiency for RA calculations are as follows:

Key Metrics		Source
Percent of all enrollees with at least one (1) HCC	**Risk Adjustment**	**RARSS Report**
Average number of conditions per enrollee with at least one (1) HCC	**Risk Adjustment**	**RARSS Report**
Issuer average risk score	**Risk Adjustment**	**RATEE Report**
Average number of Diagnosis Codes per medical claim	**Risk Adjustment**	**FDEMAF Report**
Average premium per member per month	**Risk Adjustment**	**RATEE Report**

2. Quality: RA Data Sufficiency (Continued)

- After the interim outlier analysis, issuers who failed the RA and EDGE quality metrics will be notified by letter addressed to the Chief Executive Office (CEO) Designate on **February 12, 2016**.
- Issuer action:
  - Provide a written justification by email to: EdgeDataReply@cms.hhs.gov
    - The justification must explain why a data anomaly exists by **February 26, 2016.**
- CMS action:
  - CMS will assess the justification and provide feedback.

2. Quality: RA Data Sufficiency (Continued)

- If an issuer fails to provide an acceptable justification by February 26, 2016, then the issuer will remain an outlier.
- This means that the issuer will not be included in the interim RA Summary Report.
- **If the issuer outlier represents 0.05% of the Market share of enrollment or a group of issuer outliers represent 0.05% of the Market, then the affected state Market will not be included in the interim RA Summary Report.**
  - If a state Market is excluded from the interim RA Summary Report, then individual issuers in that state Market **will not** receive an issuer specific interim RA Summary Report.

Summary of Interim RA Quantity & Quality Review

Interim RA Quantity & Quality Review	EDGE data submission deadline	CMS notifies outlier issuers	Issuer justification due to CMS
Review	February 1, 2016	February 12, 2016	February 26, 2016

REGISTRATION NOW OPEN!

HHS-OPERATED RISK ADJUSTMENT METHODOLOGY MEETING

MARCH 31, 2016

On March 31, 2016, CMS will hold a public conference to discuss potential improvements to the HHS Risk Adjustment methodology for the 2018 benefit year and beyond.

When: **NEW DATE: Thursday, March 31, 2016**
9:00 a.m. – 4:30 p.m. ET

Where: Grand Auditorium
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

NOTE: CMS will also provide remote streaming capabilities for those who cannot attend in person.

Registration Deadlines:
Onsite: March 23, 2016
Remote: March 28, 2016

Register today at: https://www.REGTAP.info

Please send inquiries about the logistics of the meeting to registrar@REGTAP.info or select 'Submit an Inquiry' on the REGTAP Dashboard.

https://www.REGTAP.info

RA Onsite @ REGTAP

Registration for Technical Assistance Portal

The RA Onsite REGTAP page is now live at:

https://www.regtap.info/RAonsite.php

Stakeholders may register for **Onsite or Remote Training** through this link as well as find nearby hotel listings and read registration FAQs.

Upcoming Webinars

HTTPS://WWW.REGTAP.INFO/

Upcoming Webinars

Webinar Topic	Scheduled Event Date
Open Q&A Session	February 9, 2016 11:30 a.m. – 12:30 p.m. ET
2016 Plan Data Load	February 16, 2016 11:30 a.m. – 1:00 p.m. ET

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Questions?

To submit questions by phone:

- ❑ Dial ‘14’ on your phone’s keypad.
- ❑ Dial ‘13’ to exit the phone queue.

Resources

HTTPS://WWW.REGTAP.INFO/

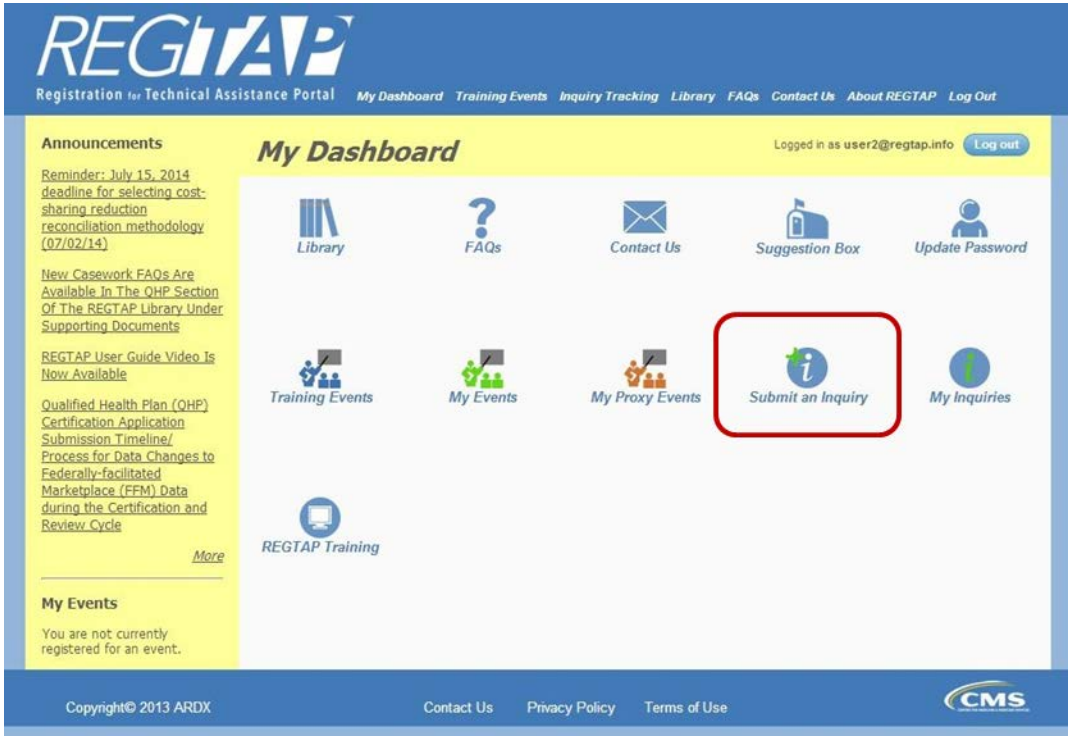
Resources

Resource	Link/Contact Information
Center for Consumer Information and Insurance Oversight (CCIIO)	http://cms.gov/cciio/
Registration for Technical Assistance Portal (REGTAP) • Registration • Inquiry Tracking and Management System (ITMS) • Resource Library • Frequently Asked Questions (FAQs)	https://www.REGTAP.info/

Inquiry Tracking and Management System (ITMS)

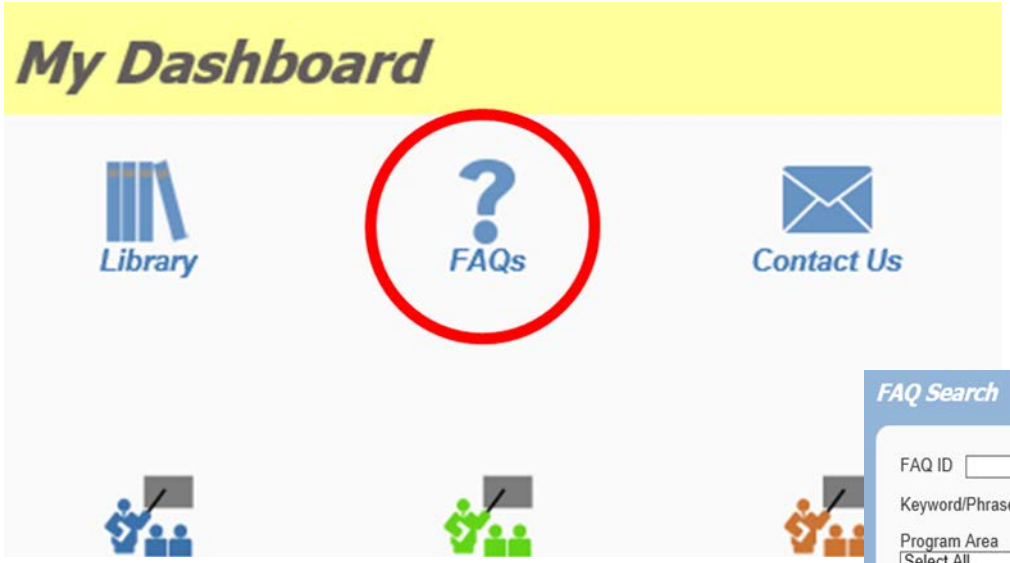
ITMS is available at https://www.REGTAP.info/

Users can submit questions after the Webinar by selecting “Submit an Inquiry” from My Dashboard.

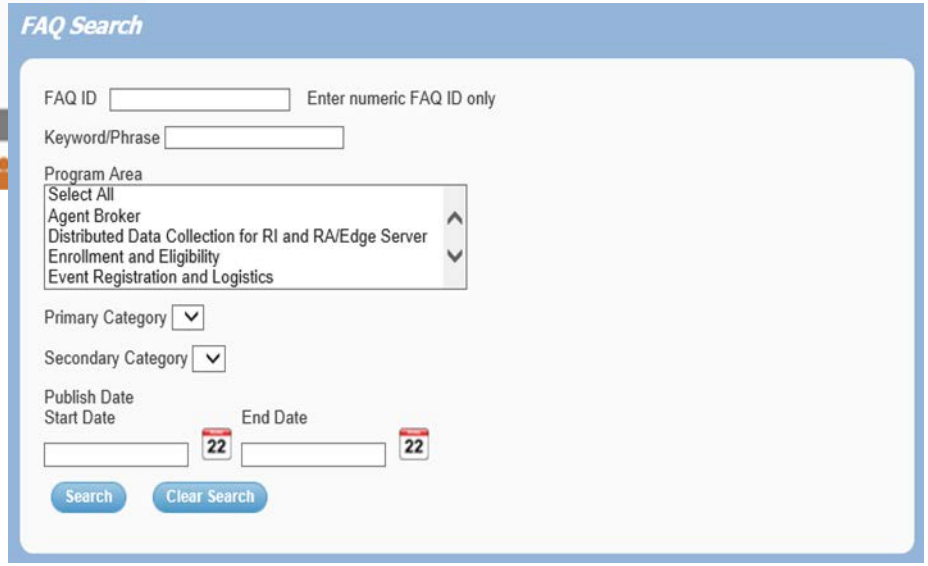


Note: Enter only one (1) question per submission.

FAQ Database on REGTAP



The FAQ Database allows users to search FAQs by FAQ ID, Keyword/Phrase, Program Area, Primary and Secondary categories, and Publish Date.



FAQ Database is available at https://www.REGTAP.info/

Closing Remarks