HHS-RADV Error Rate Calculation for Benefit Year 2015

November 1, 2017

Health Insurance Marketplace Program Training Series

Session Agenda

- Session Guidelines
- Intended Audience
- Session Purpose
- HHS-RADV Timeline
- HHS-RADV Error Rate Calculation for Benefit Year 2015
  - IVA and SVA Comparison
  - Adjustment to IVA Risk Scores
  - 2015 Benefit Year HHS-RADV Results
  - Updates for 2016 Benefit Year HHS-RADV
- Resources
- Closing Remarks

Session Guidelines

- This is a 60-minute webinar session.
- For questions regarding logistics and registration, please contact the Registrar at: (800) 257-9520.

Intended Audience

- Issuers of on-Exchange* and off-Exchange individual and small group plans, in states where the Department of Health and Human Services (HHS) operates the Risk Adjustment (RA) program under the Patient Protection and Affordable Care Act (PPACA)
- Prospective and contracted Initial Validation Audit (IVA) Entities
- Third Party Administrators (TPA) and support vendors
- Second Validation Audit (SVA) Entity

* This includes state-based, Federally-facilitated, and Small Business Health Options Programs (SHOP).

Session Purpose

- This presentation will provide additional details on the pair-wise test used to compare IVA and SVA risk score results, as well as the HHS-RADV error rate calculation process for the 2015 benefit year HHS-RADV.

HHS-RADV Timeline

HHS-RADV Timeline

To access the most current HHS-RADV Timeline for the 2016 Benefit Year, please refer to the REGTAP Library under the HHS-Operated Risk Adjustment Data Validation (RADV) program:
HHS-RADV Timeline for the 2016 Benefit Year

HHS-RADV Error Rate Calculation for Benefit Year 2015

Overview

- HHS-RADV consists of IVA and SVA Entities reviewing a sample of issuers' enrollees to determine if an error rate should be applied to the issuer's plan average risk score(s).
  - If there is no statistically significant difference found in the pair-wise test when comparing IVA and SVA results, then the IVA Entity's results are used for error estimation.
    - The error rate is based on IVA risk score findings vs. EDGE risk score data.
  - If there is a statistically significant difference in IVA vs. SVA results, then the SVA risk score findings are used for error estimation.
    - The determination of the error rate is covered in additional detail on the following slides.

Error Rate Definition

- The error rate indicates the percent of EDGE risk scores that are in error.
  - A positive error rate means EDGE risk scores are higher than the risk scores found during the audit.
  - A negative error rate indicates that the EDGE risk scores are lower than the risk scores found during the audit.

IVA and SVA Comparison

Comparing Samples

- The SVA was conducted on a representative subsample of enrollees submitted by the IVA.
- The SVA risk score results for the enrollees in the subsample were compared (pair-wise means t-test) to the same set of enrollees from the IVA sample to determine if there was a statistically significant difference between the IVA and SVA risk scores.
- Statistically significant at the 95% confidence level means:
  - We are 95% confident that the difference between the SVA risk scores and IVA risk scores is significantly different than zero.

IVA and SVA Samples Comparison

- Do the IVA and SVA enrollee risk scores match?
  - Hierarchical Condition Categories (HCCs) resulting from diagnoses abstracted are used to calculate an enrollee risk score, which are then compared between IVA and SVA.

	Record 1	Record 2	Record 3
IVA Enrollee 1	HCC 10	HCC 37	HCC 1, HCC 2
SVA Enrollee 1	HCC 10	HCC 37	HCC 1, HCC 2

	Record 1
IVA Enrollee 2	HCC 10
SVA Enrollee 2	HCC 9

	Record 1	Record 2
IVA Enrollee 3	HCC 130, HCC 135	HCC 9
SVA Enrollee 3	HCC 130, HCC 135	HCC 9

IVA and SVA Samples Comparison (continued)

- What is compared?
  - IVA risk score (12 enrollees) and SVA risk score (12 enrollees)

Enrollee ID	IVA Sample		SVA Sample	
	IVA Risk Score	IVA MR Records	SVA Risk Score	SVA MR Records
1	4.0	MR1, MR2, MR3	4.0	MR1, MR2, MR3
2	2.0	MR1	2.5	MR1
3	3.0	MR1, MR2	3.0	MR1, MR2
4	3.5	MR1, MR2	3.45	MR1, MR2
. . .	. . .	. . .	. . .	. . .
11	0.56	MR1	0.82	MR1
12	0.77	MR1, MR2	0.77	MR1, MR2

IVA and SVA Risk Score Differences

- A 'No Match' result occurs when there is a disagreement between the IVA and SVA Entities on:
  - Medical record validity (does not meet criteria for being acceptable for risk adjustment);
  - Missing or insufficient medical record documentation;
  - Incorrect diagnosis coding; or
  - Additional diagnoses identified, resulting in additional HCCs.

IVA and SVA Comparison

- During the pair-wise test, the SVA Entity compares the SVA risk scores to the IVA Entity results to determine if the risk scores are significantly different.
- The following two (2) examples demonstrate the calculations:
  - Example #1 – There is no significant difference between the IVA and SVA risk scores:
    - Average IVA risk score = 1.28
    - Average SVA risk score = 1.29
    - Mean difference: 0.01 = 1.29 - 1.28
    - Confidence interval (CI) = Mean difference +/- margin of error
    - The margin of error (MOE) is associated with the t-value, standard deviation, and sample size.
    - CI upper bound = 0.01 + MOE; CI lower bound = 0.01 – MOE
    - Assuming MOE = 0.02, then CI range = [-0.01, 0.03].
    - Zero is in the CI range. We conclude that there is no significant difference between the SVA and IVA risk scores.

IVA and SVA Comparison (continued)

- Example #2 - There is a significant difference between the SVA and IVA risk scores:
  - Average IVA risk score = 1
  - Average SVA risk score = 2
  - Mean difference: 1 = 2 - 1
  - Confidence interval (CI) upper bound = 1 + MOE; CI lower bound = 1 – MOE
  - The MOE is associated with t-value, standard deviation, and sample size.
  - Assuming MOE = 0.5, then CI range = [0.5, 1.5].
  - Zero is *not* in the CI range. We conclude that there is a significant difference between the SVA and IVA risk scores.

IVA and SVA Comparison (continued)

- If there was no statistically significant difference between IVA and SVA results using the 12 enrollees sub-sample, then the IVA results were confirmed.
  - The IVA Results would be used in the error estimation process.
- If there was a statistically significant difference, CMS expanded the sub-sample from 12 to 100 enrollees and conducted the same statistical procedure.
  - If a significant difference was still found using the 100 enrollees sub-sample, then the SVA Results were used instead of the IVA Results in the error estimation process.
  - REMEMBER: The difference found during pair-wise could be statistically significant in either direction (positive or negative risk score differences).

Adjustment to IVA Risk Scores

Adjustment to IVA Risk Scores

- If a significant difference was found using the 100 enrollees sub-sample, then the IVA sample was adjusted using the SVA results.
- The IVA risk scores of the 100 enrollees that exist in the SVA sub-sample were replaced by the SVA risk scores one-for-one.
- The remaining 100 IVA enrollees that were not included in the SVA sub-sample were adjusted based on the adjustment ratio, which is calculated as below:
  - Projected population risk score is calculated using the SVA 100 results.
  - Projected population risk score is calculated using the IVA 200 results.
  - The adjustment factor is calculated by the SVA projected population risk score divided by the IVA projected population risk score.
- The adjusted confidence interval will be calculated using the adjusted IVA risk scores.

Adjustment to IVA Risk Scores (continued)

- This example demonstrates the process of IVA risk scores adjustment using the SVA risk scores:

Enrollee ID	IVA Risk Scores
1	4.0
2	2.0
.	.
.	.
99	5.0
100	2.5
101	2.0
.	.
.	.
199	4.0
200	6.0

Enrollee ID	SVA Risk Scores
1	4.0
2	2.5
.	.
.	.
99	2.0
100	5.0

One for One Adjustment

Enrollee ID	Adjusted IVA Risk Scores
1	4.0
2	2.5
.	.
.	.
99	2.0
100	5.0
101	3.0 = 2.0 * *1.5*
.	.
.	.
199	6.0 = 4.0 * *1.5*
200	9.0 = 6.0 * *1.5*

Assume the projected population risk score using SVA 100 samples is 3 and the projected population risk score using the IVA 200 sample is 2.

The adjustment ratio is *1.5* = 3 / 2.

2015 Benefit Year HHS-RADV Results

Overall 2015 Benefit Year HHS-RADV Results

- There were 470 HIOS IDs in the 2015 benefit year.
  - 463 IVA results passed the pair-wise test.
    - Note that many issuers passed pair-wise due to a lack of medical records submitted for the audit. In these cases, the SVA agreed with the IVA results, which were used for error estimation.
  - 7 IVA results did not pass the pair-wise test.
  - 7 SVA results were used to adjust the IVA risk scores.
- Pair-wise tests that demonstrated significant differences were primarily due to:
  - Invalid documentation; and
  - Differing diagnoses found between IVA and SVA.

Updates for 2016 Benefit Year HHS-RADV

Moving Forward for 2016 Benefit Year HHS-RADV

- There are no changes to the calculations used in the Error Estimation Process for 2016 benefit year HHS-RADV, which can be found in Chapter 7 of the 2016 benefit year HHS-RADV Protocols.
- The SVA will prioritize review of those enrollees with submitted medical record documentation for 2016 benefit year HHS-RADV.
- CMS will continue to estimate errors either based on the IVA findings, or in the event of a pair-wise difference, using the SVA findings.
- CMS recently clarified coding guidance in the 2016 benefit year HHS-RADV Protocols to provide additional detail on the abstraction coding rules used for the IVA and SVA reviews.

Questions

To contact us with questions, email us at:
CCIIOACARADataValidation@cms.hhs.gov

OR

Contact us within the HHS-RADV Audit Tool using the **Inquiries** tab and selecting **Submit Inquiry.**

Next Steps

Next Steps: Training Sessions

- CMS will continue to support Stakeholders through the HHS-RADV process by hosting periodic webinars.
- There will be an opportunity for stakeholders to ask HHS-RADV related questions during the webinar sessions.

Next Steps: Training Sessions (continued)

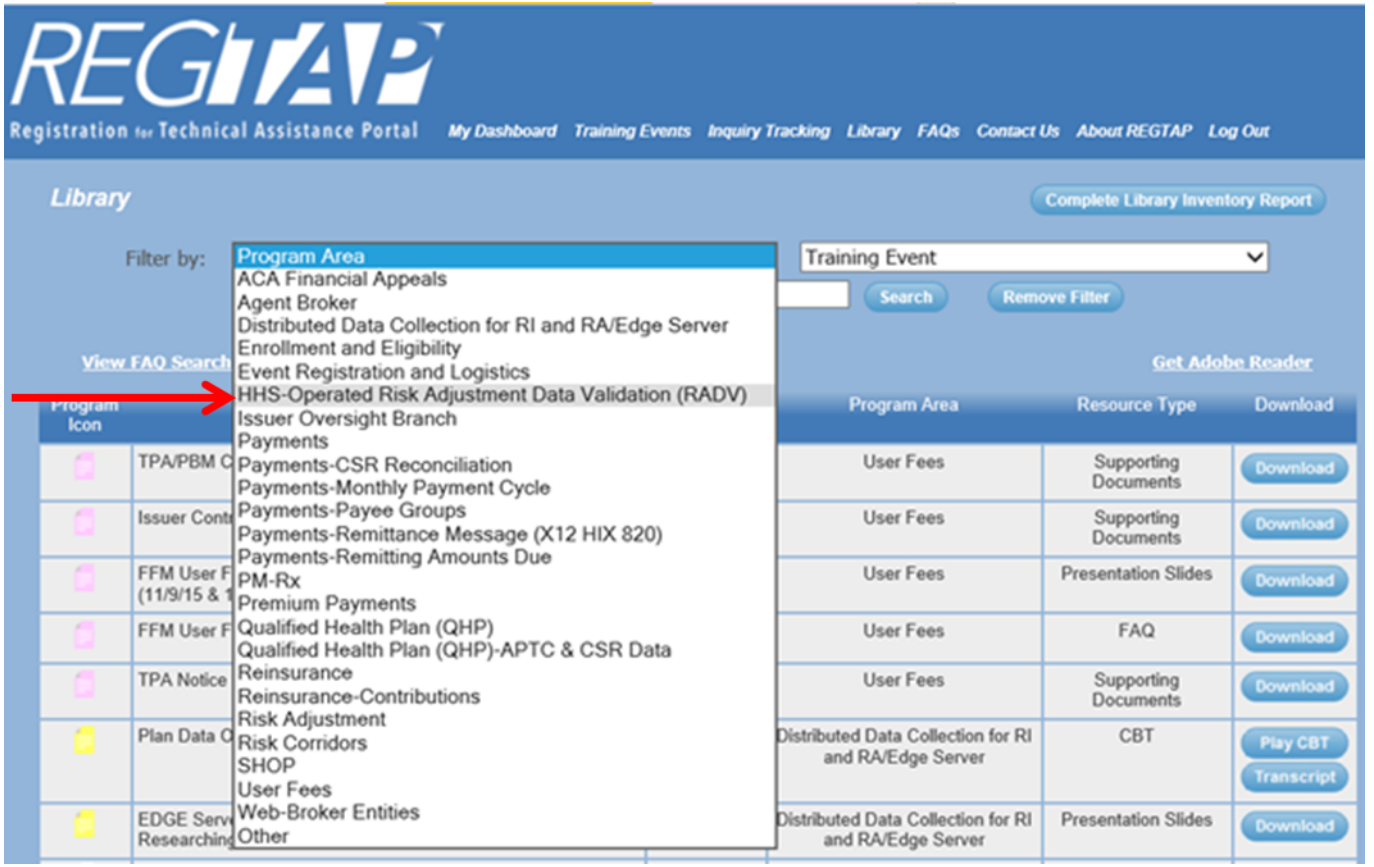
Upcoming Webinars

Date	Time	Topic
November 8, 2017	11:30 a.m. – 12:30 p.m. ET	Question & Answer
November 15, 2017	11:30 a.m. – 12:30 p.m. ET	IRR Submission Process and Validation

Locating HHS-RADV Documents in REGTAP

Stakeholders can access additional documents at https://www.REGTAP.info in the REGTAP Library.

Under Program Area, select "HHS-Operated Risk Adjustment Data Validation"



Questions?

To submit or withdraw questions by phone:

- *Dial ***#** (star-pound) on your phone's keypad to submit your question.*
- *Dial ***#** (star-pound) to withdraw your question.*

Resources

Resources: Contact Information

Resource	Contact Information
For RADV policy questions, contact the RADV Team.	CCIIOACARADataValidation@cms.hhs.gov
EDGE server questions, please contact your Financial Management (FM) Service Representative directly and copy the Centers for Medicare & Medicaid Services (CMS) Help Desk.	EDGE_server_data@cms.hhs.gov and copy CMS_FEPS@cms.hhs.gov

Resources: Links

Resource	Resource Link
U.S. Department of Health & Human Services (HHS)	http://www.hhs.gov/
Centers for Medicare & Medicaid Services (CMS)	http://www.cms.gov/
The Center for Consumer Information & Insurance Oversight (CCIIO) web page	http://www.cms.gov/cciio
Consumer website on Health Reform	http://www.healthcare.gov/
Registration for Technical Assistance Portal (REGTAP) - presentations, FAQs	https://www.REGTAP.info
Patient Protection and Affordable Care Act (PPACA)	http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/content-detail.html

Resources: Links (continued)

Resource	Resource Link
HHS Notice of Benefit and Payment Parameters for 2014	http://www.gpo.gov/fdsys/pkg/FR-2013-03-11/pdf/2013-04902.pdf
HHS Notice of Benefit and Payment Parameters for 2015	http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf
HHS Notice of Benefit and Payment Parameters for 2016	http://www.gpo.gov/fdsys/pkg/FR-2015-02-27/pdf/2015-03751.pdf
HHS Notice of Benefit and Payment Parameters for 2017	https://www.gpo.gov/fdsys/pkg/FR-2016-03-08/pdf/2016-04439.pdf
HHS Notice of Benefit and Payment Parameters for 2018	https://www.gpo.gov/fdsys/pkg/FR-2016-12-22/pdf/2016-30433.pdf

Resources: Links (continued)

Resource	Resource Link
Affordable Care Act (ACA) HHS-Operated Risk Adjustment Data Validation (RADV) Process White Paper, June 22, 2013	https://www.regtap.info/uploads/library/ACA_HHS_OperatedRADVWhitePaper_062213_5CR_062213.pdf

Closing Remarks