Risk Adjustment and Reinsurance Discrepancy Reporting Overview

December 17, 2014

Health Insurance Marketplace Program Training Series

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Agenda

- Session Guidelines
- Session Purpose
- EDGE Server Outbound Reports
- RA Reports
- Discrepancy Reports
- Review, Response, and Resolution
- Data Quality Analysis Reports
- Questions
- Closing Remarks

Session Guidelines

- This is a ninety-minute webinar session, followed by a user group next week.

- Frequently Asked Questions (FAQs) will be posted in the coming weeks.

- For questions regarding content, please submit inquiries to REGTAP at https://www.regtap.info/

- 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 HHS operates the Risk Adjustment and Reinsurance Programs

- Third Party Administrators (TPAs) and Support Vendors

- Amazon and On-Premise EDGE server issuers (Marketplace and Non-Marketplace)

Purpose

- This training will provide an overview of the Risk Adjustment and Reinsurance calculation estimate reports, EDGE Server Outbound Reports and the associated discrepancy reporting process, as well as the Data Quality Analysis Reports (DQARs) that provide data summaries and metrics.
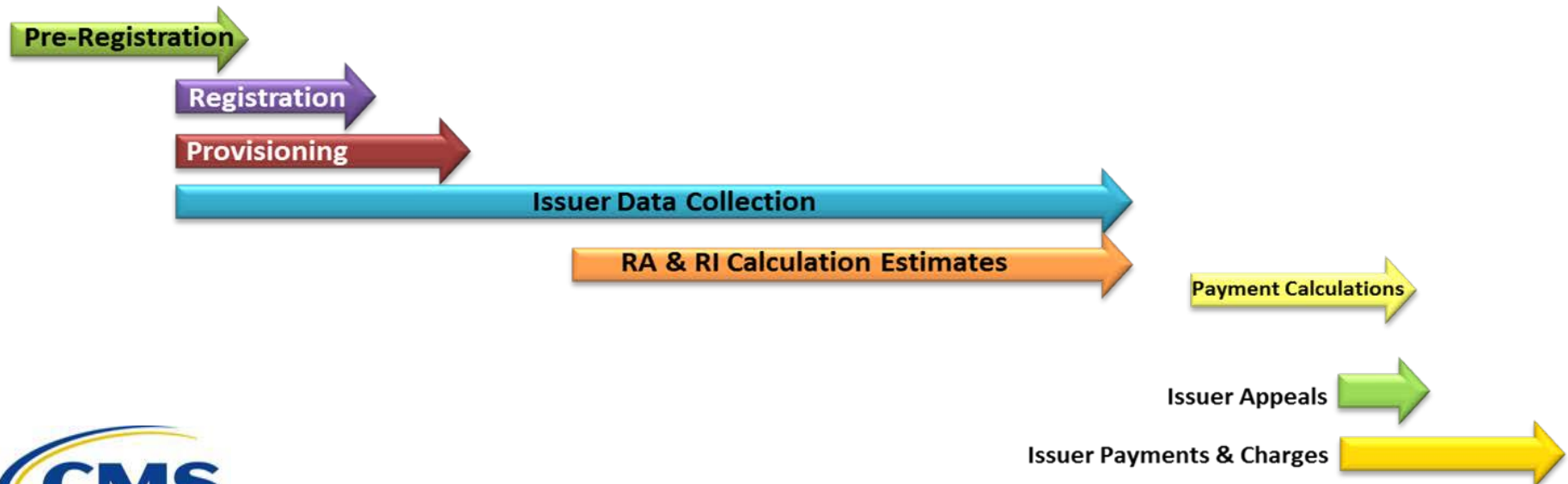
Risk Adjustment & Reinsurance Programs Timeline

Key Implementation Dates:
- **EDGE Pre-Registration**: 8/7/14 – 9/26/14
- **EDGE Registration:** 9/27/14 – 10/20/14
- **EDGE Provisioning:** 9/27/14 – 11/21/14
- **Data Collection:** 9/27/14 – 4/30/15

- **Risk Adjustment Risk Score & Reinsurance Estimates:** 12/19/14 – 4/30/15
- **Payment Calculations:** 5/1/15 – 6/30/15
- **Payment Report to Issuers:** 6/30/15
- **Issuer Appeals** 7/1/15 – 7/31/15
- **Issuer Reinsurance Payments & Risk Adjustment Payments and Charges**: 7/1/15 – 9/30/15

2014					2015						
AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN-JUL	AUG-SEP

Pre-Registration

Registration

Provisioning

Issuer Data Collection

RA & RI Calculation Estimates

Payment Calculations

Issuer Appeals

Issuer Payments & Charges

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EDGE Server Outbound Reports

Outbound Reports

- The EDGE server will generate file ingest and monthly outbound reports, which will provide issuers with information on the Risk Adjustment (RA) Risk Score and Reinsurance (RI) estimated calculations.

- The RA & RI outbound reports will be run on production data and will be based on a remote command executed by CMS. Issuers' EDGE servers will PULL this calculation command from CMS's AWS S3 bucket.

- Only issuers have access to the enrollee-level information on their respective EDGE servers.

- Issuers will receive several types of summary and detailed outbound reports, while CMS will receive only outbound summary reports based on EDGE server data for Risk Adjustment and Reinsurance.

Outbound Report Types

Risk Adjustment

Detail Reports – Issuers ONLY
• RA Claim Selection • RA Individual Risk Score Calculations

Summary Reports – Both Issuers and CMS
• RA Claim Selection Summary • RA Plan Level Risk Score Calculations • RA EDGE Transfer Element Extract • RADV Population Summary Statistics • RA User Fee

Outbound Report Types

Reinsurance

Detail Reports – Issuers ONLY
• RI Detail Enrollee/Claim Report

Summary Reports – Both Issuers and CMS
RI Summary Report

RA Reports

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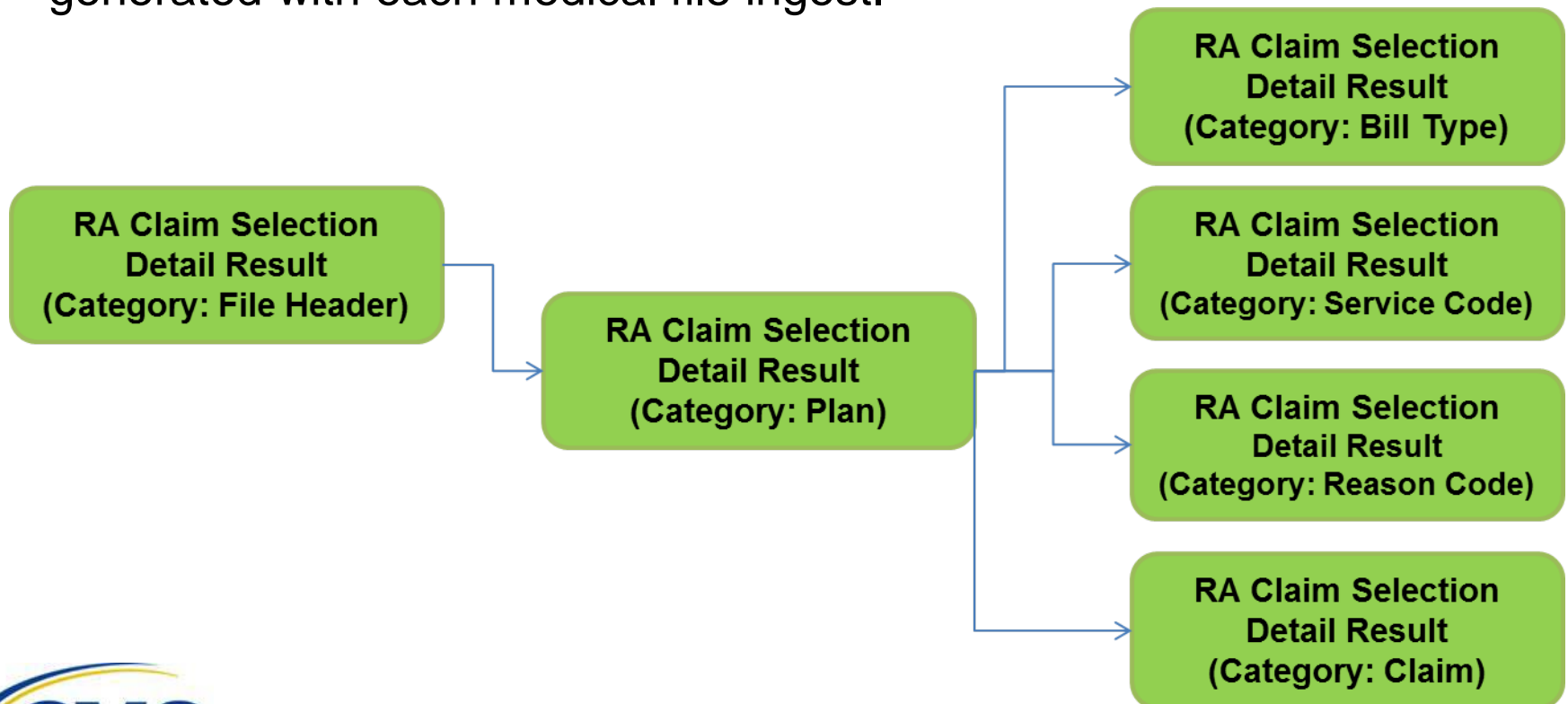# Common Outbound File Header Record for All Reports

Data Category: File Header

- A common outbound file header is present on all outbound files.

- The file header provides specific information about the type of file that is produced such as file IDs, outbound generation date and time, and type of file produced, and Issuer ID.

- There are two types of common outbound file headers:

  o There is a common header for all open reports generated after file processing. The existing file processing reports

  o There is a common header for all open reports generated by a remote command

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Common Outbound File Header Data Elements

| Business Data Element	Description
File ID	The CMS system generated unique identifier of a report file.
CMS Batch ID	CMS generated identifier to uniquely identify a batch job Note - This field is only populated for reports executed as a result of a CMS initiated remote command
CMS Job ID	CMS generated identifier to uniquely identify the job
Snap Shot File Name	File name of the database snap shot generated during the transfer process
Snap Shot File Hash	Hash value of the database snap shot generated during the transfer process
Run Date	The date and time when the CMS processed file is generated.
Interface Control Release Number	Denotes the version number of the Interface Control Document that the file corresponds to as identified on page 1 of this document.
EDGE Server Version	Version number that corresponds to the Application, Database, Operating System, and Reference Table versions that were used to process the inbound file and produce the report
Job ID	System generated unique identifier for job executed on the EDGE server
Report Type	Defines values of outbound validation report
Server ID	The unique identifier of an EDGE server.
Issuer ID	The Unique Identifier for an Issuer

RA Claims Selection Detail Report (RACSD)

- This report contains the included and excluded medical claims for RA, with details for each excluded claim. The RACSD report will be generated with each medical file ingest.

```
RA Claim Selection                              RA Claim Selection
Detail Result                                   Detail Result
(Category: File Header)                          (Category: Bill Type)

                    RA Claim Selection          RA Claim Selection
                    Detail Result               Detail Result
                    (Category: Plan)            (Category: Service Code)

                                                RA Claim Selection
                                                Detail Result
                                                (Category: Reason Code)

                                                RA Claim Selection
                                                Detail Result
                                                (Category: Claim)
```

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RA Claims Selection Summary Report (RACSS)

- This report contains the included and excluded medical claim summary data. The RACSS report will be generated with each medical file ingest.
- Enrollee specific information will not be on this report.
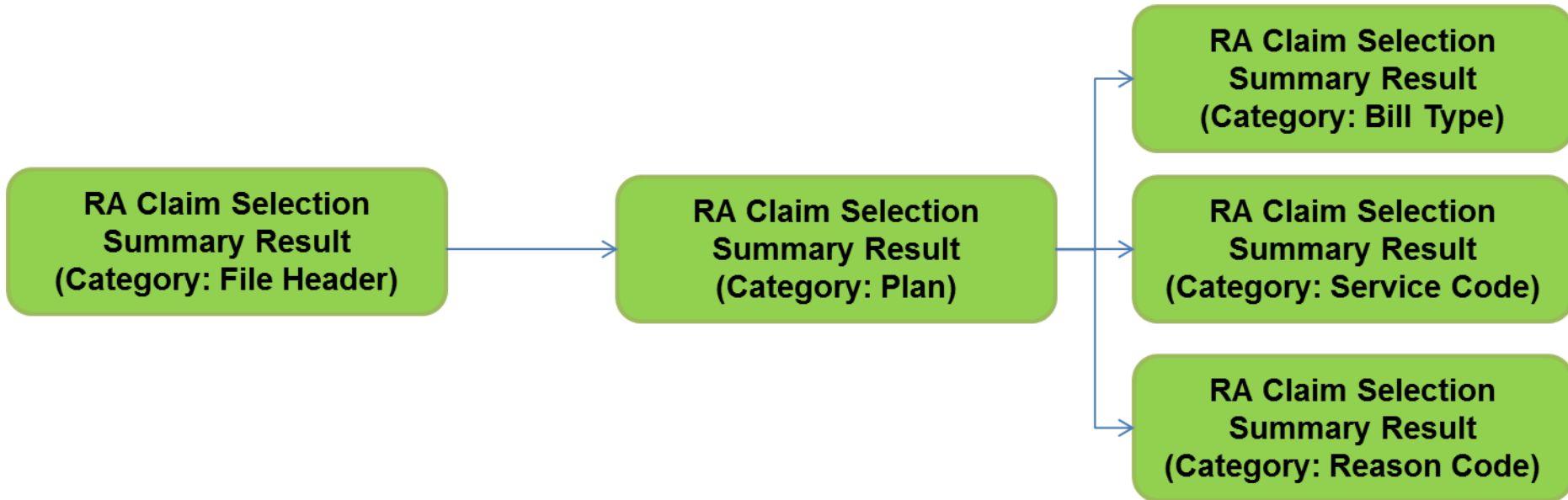
RA Risk Score Detail Report (RARSD)

- This report notifies the issuer about individual risk scores for enrollees in a plan. The RARSD report will be generated when the risk score and transfer extract batch job is initiated by CMS.

Risk Score Detail Result (Category: File Header)

Risk Score Detail Result (Category: Plan)

Risk Score Detail Result (Category: Rating Area)

Risk Score Detail Result (Category: Enrollee)

Risk Score Detail Result (Category: Enrollment)

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RA Risk Score Summary Report (RARSS)

- This report notifies CMS about risk score and RA transfer inputs for the Plan, and will not include orphan claims. The RARSS report will be generated with the risk score and transfer extract batch job initiated by CMS.

- Enrollee specific information will not be on this report.

Risk Score Summary Result (Category: File Header)

Transfer Extract Result (Category: Transfer Plan)

Risk Score Summary Result (Category: Plan)
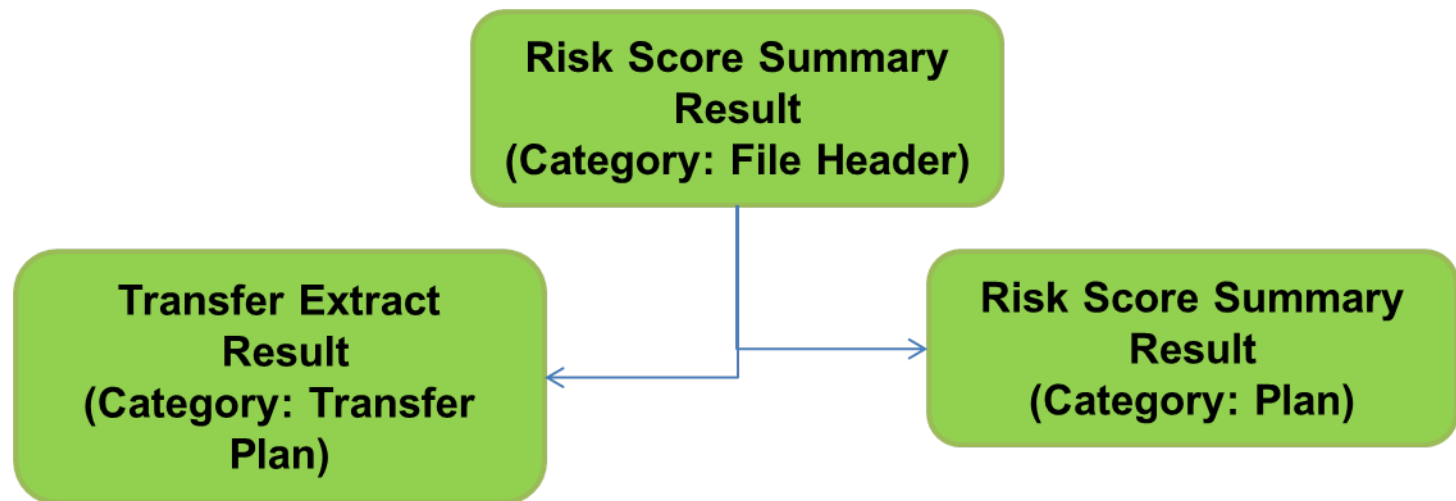
RA Transfer Elements Extract (RATEE)

- This report contains information relating to plan inputs to the payment transfers which will be aggregated and transmitted to CMS to be used to calculate the transfer payment amount. The RATEE report will be generated with the risk score and transfer extract batch job initiated by CMS.

- Enrollee specific information will not be on this report.

- The information from this report will be appended to the end of the RARSS report.

RA Transfer Elements
Extract
(Category: File Header)

RA Transfer Elements
Extract
(Category: Plan)
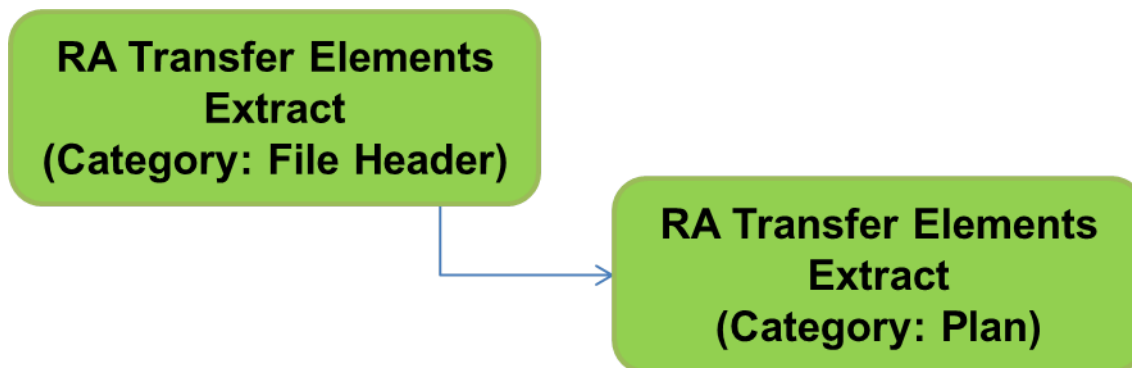
RADV Population Summary Statistics Report (RADVPS)

- This report contains population statistics calculated per stratum for the total population of the issuer. The RADVPS report will be generated with the risk score and transfer extract batch job initiated by CMS.

- Enrollee specific information will not be on this report.

- This report contains population statistics calculated per stratum (H, M, L – thirds based on population distribution) for the total population of the issuer.
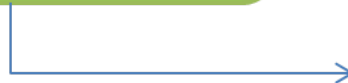
RA User Fee (RAUF)

- This report contains information on RA User Fee amounts calculated on each issuer's edge server. The RAUF report will be generated with the RA User Fee batch job initiated by CMS.
- Enrollee specific information will not be on this report.
- This report contains the calculated RA User Fee amounts for each plan ID (16 digit).

RA User Fee
(Category: File Header) → RA User
(Category: Plan)

Discrepancy Reports

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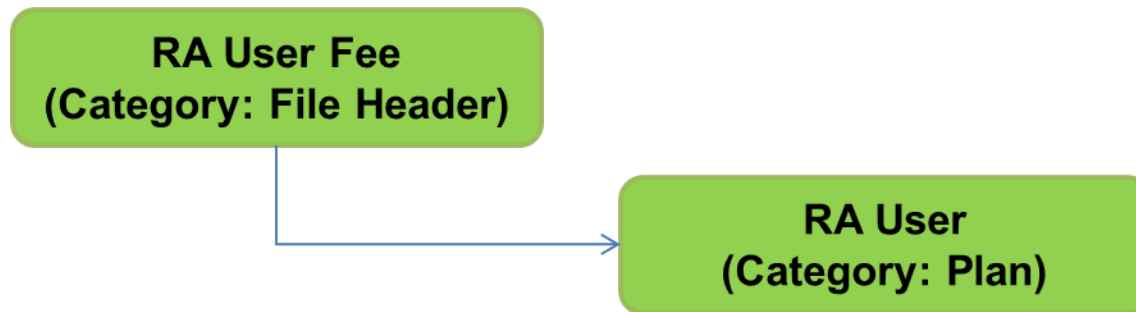
Discrepancy Reporting Overview

- CMS established the discrepancy reporting process in the 2015 Payment Notice (45 CFR 153.710) in order to give issuers the ability to identify potential discrepancies in the file submission and loading process, as well as payment calculation estimate reports produced on the EDGE server.

- The Payment Notice states that issuers will have the opportunity to identify discrepancies to CMS based on **interim** and **final** reports.

- The Payment Notice states that only issuers that identify discrepancies in the interim and final EDGE server reports will be permitted to request reconsideration regarding such discrepancies under the process set forth in 156.1220(a).

Discrepancy Reporting Purpose

- Discrepancy reporting helps ensure data quality for payment accuracy

- Issuers need to check data processing results to make sure all data has been included and processed as expected.

Discrepancy Reporting Purpose

- The discrepancy reporting process is the same for Risk Adjustment (RA) and Reinsurance (RI).

- Issuers may use the discrepancy reporting process to address potential inconsistencies in the RA and RI estimated calculations or to report potential errors in the processing of the underlying claims and enrollment data used in the calculations.

- For the 2014 benefit year, this will include opportunities to share informal feedback in response to draft reports, as well as formal feedback in response to an interim and a final report.

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2014 Benefit Year: Calculation Estimate Schedule

The report schedule for the 2014 benefit year will run from December 2014 – May 2015.

- December 2014 – draft calculation estimate reports
- January 2015 – draft calculation estimate report
- February 2015 – draft calculation estimate report
- March 2015 – **interim** calculation estimate report (formal discrepancy reporting)
- April 2015 – draft calculation estimate report
- May 2015 – **final** calculation estimate report (formal discrepancy reporting)

For the draft reports occurring in December, January, February, and April, issuers should provide informal feedback to CMS.

In response to the March interim report, issuers must formally identify any discrepancies within 30 days.

In response to the May final report, issuers must formally identify any discrepancies within 15 days.

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Formal Discrepancy Reporting

- The March 2015 interim report and May 2015 final report will trigger mandatory response timeframes established under 45 CFR 153.710 for the identification of discrepancies, which is generally required to request a reconsideration under 156.1220(a).
    - 30 days for interim formal report (March 2015)
    - 15 days for final formal report (May 2015)

- Issuers must confirm the accuracy of their report. If issuers do not confirm or identify a potential discrepancy in their data, the data will be included in payment calculations and issuers may forfeit their appeal rights for the June 30, 2015 final report.

- Issuers must submit CMS-developed standardized templates to identify errors for formal discrepancy reporting.

Informal Payment Calculation Estimate Feedback

- Issuers should also review all of the draft calculation estimate reports and communicate potential discrepancies to CMS as soon as possible so that CMS may look into and resolve potential errors in a timely fashion.

- There is not currently a specific template informal feedback on the draft calculation estimate reports.

- Issuers must provide supporting information that clearly identifies the potential discrepancy or error.

Possible Discrepancies

- Issuers should identify a discrepancy if:
  - Claims, supplemental records, and enrollment data were incorrectly rejected during file ingest and file processing.
  - Claims, supplemental record, and enrollment data are missing from the report.
  - Calculations are incorrect.
    - Reports will show inputs to the calculations. Issuers should identify missing or incorrect report data as soon as possible.

Discrepancy Reporting Process

| Calculation of monthly RA Risk Score/RI calculation estimates | Issuer receives report | Issuer reports discrepancy to CMS | CMS works with Issuer to resolve the discrepancy | Discrepancy is resolved | CMS responds to Issuer with resolution | Issuer observes discrepancy resolution in a future report run |

Discrepancy Process

Discrepancy Identification

- CMS is working on the process for how issuers will logistically informally and formally identify discrepancies and formally confirm accuracy.

- There will be a tailored process for issuers identifying discrepancies to CMS based on the RA and RI data submissions.

- Issuers should not identify discrepancies through REGTAP.

Discrepancy Identification Documentation

- Issuers identifying discrepancies (informally and formally) will be required to provide documentation that clearly demonstrates potential deficiencies, including de-identified data that shows both the input and outputs of the risk adjustment and reinsurance calculations.

- Issuers may have to provide de-identified input source claims and enrollment data, evidence of system acceptance and assessment of the information, and corresponding risk adjustment and/or reinsurance output calculation estimate reports.

- Issuers may need to provide de-identified individual enrollee level data during discrepancy reporting.

Discrepancy Identification

Personally Identifiable Information

- Issuers have the responsibility to de-identify any enrollee level data sent to CMS, consistent with 45 CFR § 153.720.

- Issuers should not include names, birthdates, or addresses on any information being submitted as source data to identify the discrepancy.

- Issuers must ensure CMS cannot identify who the individual is on the data through the use of masked enrollee identification numbers.

- For Risk Adjustment Risk Score & Reinsurance estimate discrepancies, issuers should show calculations or evidence of file ingest/processing error, not personally identifiable information.

Review, Response, & Resolution

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CMS Review

- CMS will review every discrepancy identified (informal and formal) by issuers and will make a determination on whether an error exists, based on the evidence submitted by the issuer along with any other relevant data.

- In cases where CMS identifies potential discrepancies, CMS will conduct an in-depth review of the issuers' RA/RI reports.

- As needed CMS may follow-up to request information from issuers to better understand and resolve potential discrepancies.

CMS Response

- CMS will provide direct responses to issuers for all identified discrepancies.

- The responses will indicate whether CMS has reached a determination on the identified potential discrepancies.

- CMS will provide justifications in cases where it does not agree with issuers' potential discrepancy findings.

- CMS will also provide issuers with information on how confirmed discrepancies will be remediated.

Discrepancy Resolution

- Remediated discrepancies can be observed in a future calculation estimate report or as part of the final report.

- CMS will track the status of reported and confirmed discrepancies and will notify issuers when their respective defects have been resolved.

- At the close of the data collection period (April 30, 2015), CMS will identify issuers with formal unresolved discrepancies under 153.710(f).

Payment Appeals

- Issuers will have recourse to appeal the 2014 payment amounts following the receipt of the June 30, 2015 risk adjustment payments and charges and reinsurance final payment report.
  - Issuers may only file appeals related to previously reported formal discrepancies (risk score or reinsurance) or in cases where a discrepancy could not be identified (for example, risk adjustment payment transfer calculation).

- If a discrepancy first identified during a formal discrepancy window remains unresolved after the issuance of the notification of the RA payments and charges or RI payments, then issuers may make a request for reconsideration regarding such discrepancy.

- More information about the appeals process will be provided in future trainings.

Data Quality Analysis Reports

Data Quality Analysis Reports (DQAR)

- Following each monthly calculation estimate run, CMS will send issuers Risk Adjustment Risk Score and Reinsurance Data Quality Analysis Reports (DQAR).

- These reports are separate from the EDGE Server Outbound Reports and will provide issuers with technical summary metrics related to their Risk Adjustment risk score and Reinsurance calculation estimates and will also identify areas of suggestive technical data problems.

- CMS may require follow-up with issuers and confirmation of findings based on data summaries in the DQAR.

Data Quality Analysis Reports (DQAR)

- The initial DQAR reports will focus on high level file processing metrics.

  o The reports will primarily assess whether issuers have submitted the necessary claims and enrollment data required to run risk adjustment risk score and reinsurance calculations.

  o The reports will identify issuers that had unsuccessful monthly risk adjustment risk score and reinsurance calculation runs (issuers never executed the calculation script, or the script was executed and generated an error).

  o The reports will analyze whether issuers have submitted data for all of their plans and whether the data submitted includes claims and enrollments for all months in the payment year.

Data Quality Analysis Reports (DQAR) (continued)

- Future reports will also include metrics that assess the reasonableness of the underlying enrollment, claims, and risk adjustment and reinsurance data used in issuers' risk adjustment risk score and reinsurance calculations.

  o Risk Adjustment metrics may include types of claims, types of volumes of claims selected for risk adjustment, and analysis of claim exclusion from risk adjustment.

  o Reinsurance metrics may include the total amount of reinsurance payments per issuer, the average number of reinsurance payment per enrollee, and the number of enrollees receiving reinsurance payments.

- CMS will run outlier analyses at the issuer level and these analyses will be based on where issuers' data fall within their state's distribution.

Next Steps

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Next Steps: Training Sessions

- CMS will continue to support Stakeholders through the RA/RI payment calculation estimate process by hosting webinar and user group sessions.
- CMS will update issuers once the discrepancy reporting submission process is finalized.

Next Steps: Training Sessions
(continued)

Upcoming Webinars:

Date	Time	Topic
January 14, 2015	11:30 a.m. – 1:00 p.m.ET	RA Payment Transfers I
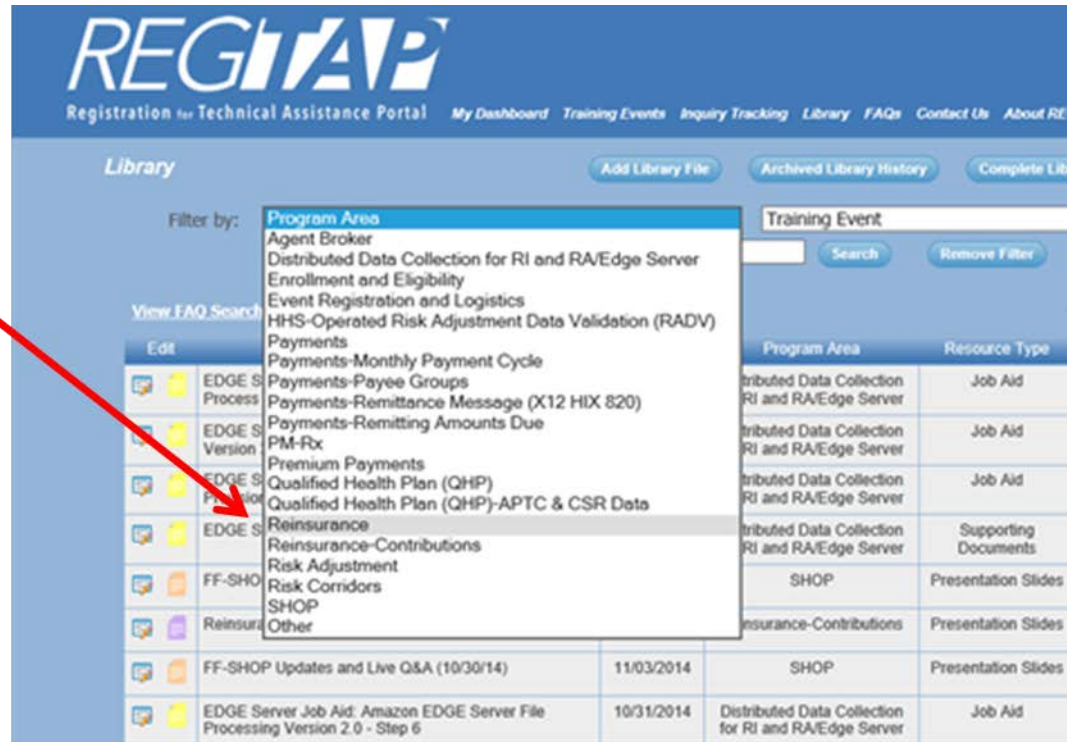
Upcoming User Groups/QA Sessions

Date	Time
January 7, 2015	11:30 a.m. – 12:30 p.m. ET
January 21, 2015	11:30 a.m. – 12:30 p.m. ET

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Locating Documents in REGTAP

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

Under Program Area, select 'Reinsurance' or 'Risk Adjustment'

Questions?

To submit questions by phone:

- *dial '14' on your phone's keypad*
    - *dial '13' to withdraw your question*

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Resources

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Resources

Resource	Resource Link
U.S. Department of Health & Human Services	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
Do-It-Yourself (DIY) Software	http://www.cms.gov/cciio/Resources/Regulations-and-Guidance/index.html#Premium Stabilization Programs http://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/DIY-instructions-5-20-14.pdf

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Resources (continued)

| Resource	Resource Link
Patient Protection and Affordable Care Act (ACA)	http://www.gpo.gov/fdsys/pkg/PLAW-111publ148/content-detail.html
Standards Related to Reinsurance, Risk Corridors, and Risk Adjustment under the ACA	http://www.gpo.gov/fdsys/pkg/FR-2011-07-15/pdf/2011-17609.pdf
HHS Notice of Benefit and Payment Parameters for 2014 and Amendments to the 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 and Amendments to the HHS Notice of Benefit and Payment Parameters for 2015	http://www.gpo.gov/fdsys/pkg/FR-2014-03-11/pdf/2014-05052.pdf

Resources (continued)

Resource	Resource Link
Standards Related to Reinsurance, Risk Corridors and Risk Adjustment under the ACA	http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf
Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards; Amendments to the HHS Notice of Benefit and Payment Parameters for 2014	http://www.gpo.gov/fdsys/pkg/FR-2013-10-30/pdf/2013-25326.pdf
Health Insurance Market Rules, Rate Review Final Rule	http://www.gpo.gov/fdsys/pkg/FR-2013-02-27/pdf/2013-04335.pdf

Inquiry Tracking and Management System (ITMS)

Stakeholders can submit inquiries to ITMS at
https://www.REGTAP.info

Select 'Submit an Inquiry' from My Dashboard.

HTTPS://WWW.REGTAP.INFO/
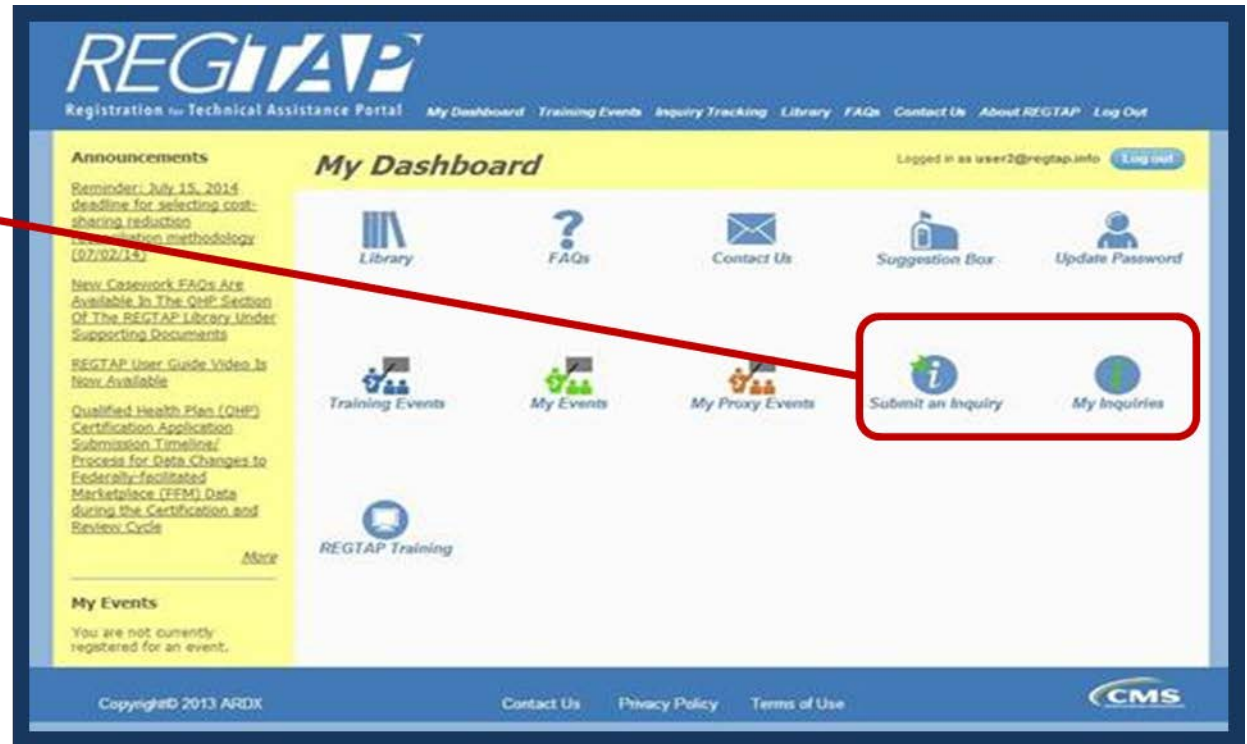
FAQ Database on REGTAP

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/

HTTPS://WWW.REGTAP.INFO/