TECHNICAL ASSISTANCE TO RESOLVE RISK ADJUSTMENT SUBMITTED DISCREPANCIES

May 28, 2015

Payment Policy & Financial Management Group,
Division of Reinsurance Operations Training Series

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Agenda

- Session Guidelines
- Intended Audience
- Purpose
- Resolving Common Risk Adjustment Discrepancies
- Submission of Inquiries
- Frequently Asked Question (FAQ) Database
- Closing Remarks

Session Guidelines

- This is a ninety-minute webinar session
- Frequently Asked Questions (FAQs) will be posted in the coming weeks
- For questions regarding content, please submit inquiries to Registration for Technical Assistance Portal (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 ACA Risk Adjustment Program
- Third Party Administrators (TPAs) and Support Vendors
- Amazon and On-Premise EDGE server issuers (Exchange and Non-Exchange)

Purpose

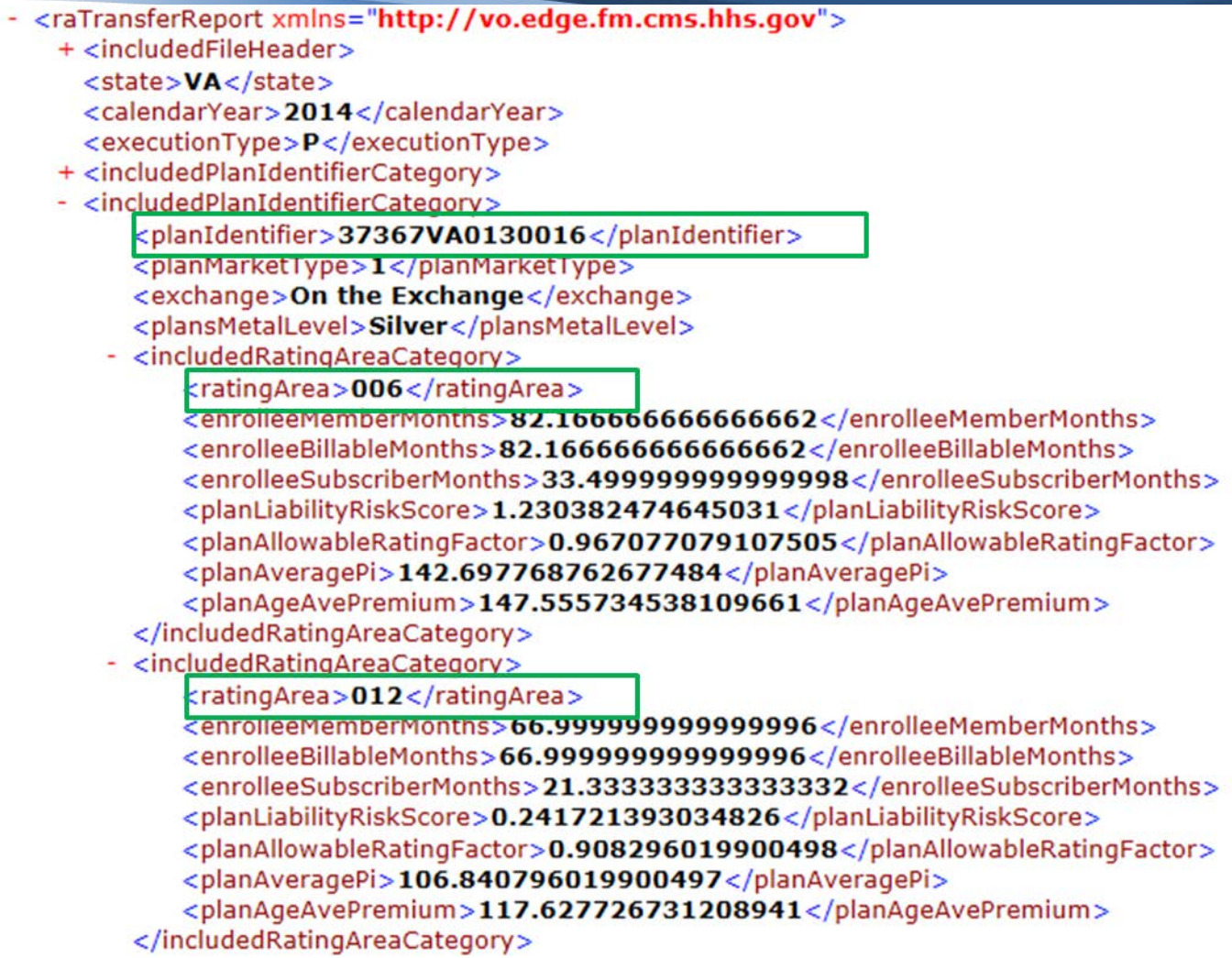
- This training will provide guidance on how to address common questions about Risk Adjustment calculations and how to identify what is and is not a discrepancy
- Specifically, this training will help issuers address questions and concerns when investigating the following Risk Adjustment discrepancies:
  - Validating RA Calculation Results in the RATEE, RARSD, RACSD reports
  - Allowable Rating Factor Common Issues
  - Confirming the Claim is Active in the EDGE Server Database
  - Confirming the Claim is not an Orphan Claim

Validating RA Calculation Results - RATEE Report

- **RA Transfer Element Extract Report (RATEE)**
  - Contains all of the EDGE server outputs that are used to calculate the transfer payment and charge amounts by CMS
  - This is the key report to validate transfer inputs are accurate
  - Data is summarized for each unique combination of **14 digit plan** and **rating area**
  - All calculations are carried to 15 decimal places
    - **Note** – RARSS and RARSD reports only include 2 decimal places

Validating RA Calculation Results - RATEE Report (continued)

- Data is summari to each unique combination of **1 digit plan** and **rating area**



Validating RA Calculation Results - RACSD Report

- **RA Claim Selection Report (RACSD)**
  - Identifies which medical claims are eligible for RA
  - A claim is RA eligible if **raEligibleIndicator** = 1



Validating RA Calculation Results - RARSD Report

- **RA Risk Score Detail Report (RARSD)**
  - The RARSD report provides additional detail that can be used to validate the aggregate plan liability risk score (PLRS) in the RATEE report at the following levels:
    - **Enrollee Level**
      - ➢ Elements outlined on the next slide
    - **Enrollment Period Level**
      - ➢ Additional details on the following slides
    - **NOTE -** Special consideration must be used due to rounding differences between the RARSD and RATEE Reports

Validating RA Calculation Results - RARSD Report: Enrollee

- **RARSD Enrollee Level**
  - The below fields appear at the enrollee level (**includedEnrolleeCategory)**
    - **riskAdjustmentAge**: Age used to determine the enrollee age model used
    - **applicableRAModel**: Age model used (Infant / Child / Adult)
    - **includedDiagnosisCodeCategory**: Lists all diagnosis codes assigned to the enrollee from RA eligible claims
    - **includedPaymentHccCategory**: Lists HCCs used that impact the risk score
    - **includedHccGroupCategory**: Lists HCC groups assigned to the enrollee
    - **includedEnrolleeHccDroppedCategory**: Lists HCCs removed due to the HCC hierarchy and HCC group assignment

Validating RA Calculation Results - RARSD Report: Enrollee (continued)

- **RARSD Enrollee Level**
  - The below fields appear at the enrollee level (**includedEnrolleeCategory**)
    - **includedSeverityLevelCategory**
      - **interactionGroup**: Indicates if an adult has a severity group (M/H)
      - **enrolleeV3Indicator**: Indicates if an adult has a severity interaction (Y/N)
      - **hccSeverity**: Indicates infant severity level assigned
        - This field only contains infant severity factors (1-5)
        - Infant maturity factor assigned for the enrollee is not listed at this level in the report. Therefore, use the highest HCC assigned and reported on the enrollee level of the RARSD report that is related to birth for the infant to obtain the correct maturity and severity combination

NOTE: The RARSD report will be updated for 2015 data to include the maturity and severity combination. Please refer to the November 19, 2014 RA slides (54-56) on REGTAP at: **https://www.regtap.info/uploads/library/RA_SlidesTr2_111914_v1_5CR_041615.pdf**

Validating RA Calculation Results - RARSD Report: Enrollment Period

- **RARSD Enrollment Period Level**
  - The following fields appear at the enrollment period (**includedEnrolleePeriodCategory**) level
    - **coverageStartDate**: Enrollment coverage start date
    - **coverageEndDate**: Enrollment coverage end date
    - **enrolleeRiskScore**: Risk score calculated for the enrollment period
    - **cSRFactor**: CSR factor assigned for the enrollment period
    - **memberMonths**: Number of member months of the enrollment period
      - Member Months = Days in the Enrollment Period / 30
- **Note:**
  - This risk score in this report is rounded to two decimal places while the RATEE report carries out 15 decimal places
  - A risk score is provided for each enrollment period in the RARSD report; however, billable member determination (covered on slides 18-20) is not provided in this report

Validating RA Calculation Results - RARSD Report: Enrollment Period (continued)

- **RARSD Enrollment Period Level**
  - When an enrollee has multiple enrollment perioc within the same 14 digit p separate enrollee and enrollment period categor are included in the report each enrollment period
  - In this XML example, enrollee JOHNDOE has t enrollment periods in the same 14 digit plan but different variants



Allowable Rating Factor (ARF) Common Issues

- The plan / rating area level ARF factor that appears in the RATEE report (**planAllowableRatingFactor**) is a weighted average as defined below:

Family Tiering Rating Method

$$\frac{\sum_s (ARF_s * MS_s)}{\sum_s (MB_s)} = ARF_i$$

ACA Rating Method

$$\frac{\sum_b (M_b * ARF_b)}{\sum_b M_b} = ARF_i$$

- **Common Points to Confirm if ARFi Does Not Match Issuer Calculated Expected Result**
  - Only billable members and billable member months are used
  - Confirm ARF age determination logic
  - Confirm Billable Member determination logic

Allowable Rating Factor (ARF) Common Issues – ARF Age Determination

- **ARF Age Determination Common Issues**
  - ARF age is calculated as of the first day of an enrollment period
  - As a result an enrollee can have multiple ARF ages assigned resulting in multiple ARF factors for one enrollee that contribute to the weighted average plan / rating area level ARFi
  - The following slides provide examples for subscribers and non-subscribers

Allowable Rating Factor (ARF) Common Issues – ARF Age Determination (continued)

- **Example: SUBSCRIBER ARF Age**
  - A new ARF age is assigned for each initial issuance or renewal
    - Enrollment Activity Indicators: 021028, 021041
  - Policy modifications use the age as of the previous initial issuance or renewal.
    - Enrollment Activity Indicator: 001
  - The below table demonstrates for one subscriber what date is used (along with the date of birth) to calculate the ARF age.

New Date is Applied

Activity Indicator	EP Start	EP End	Date Used for ARF Age
Initial Issuance – 021028	1/1/2014	1/31/2014	1/1/2014
Initial Issuance – 021028	2/15/2014	3/31/2014	2/15/2014
Modification – 001	4/1/2014	10/31/2014	2/15/2014
Modification – 001	11/1/2014	12/31/2014	2/15/2014
Renewal – 021041	1/01/2015	12/31/2015	1/1/2015



Allowable Rating Factor (ARF) Common Issues – ARF Age Determination (continued)

- **NON-SUBSCRIBER ARF Age Example**
  - A new ARF age is assigned for each enrollment period (initial issuance, addition, or renewal)
    - Enrollment Activity Indicators: 021028, 021041, 021EC
  - The below table demonstrates what date is used (along with the date of birth) to calculate the ARF age

New Date is Applied for Each Enrollment Period

Activity Indicator	EP Start	EP End	Date Used for ARF Age
Initial Issuance – 021028	1/1/2014	1/31/2014	1/1/2014
Initial Issuance – 021028	2/15/2014	3/31/2014	2/15/2014
Addition– 021EC	4/1/2014	12/31/2014	4/1/2014
Renewal – 021041	1/1/2015	12/31/2015	1/1/2015

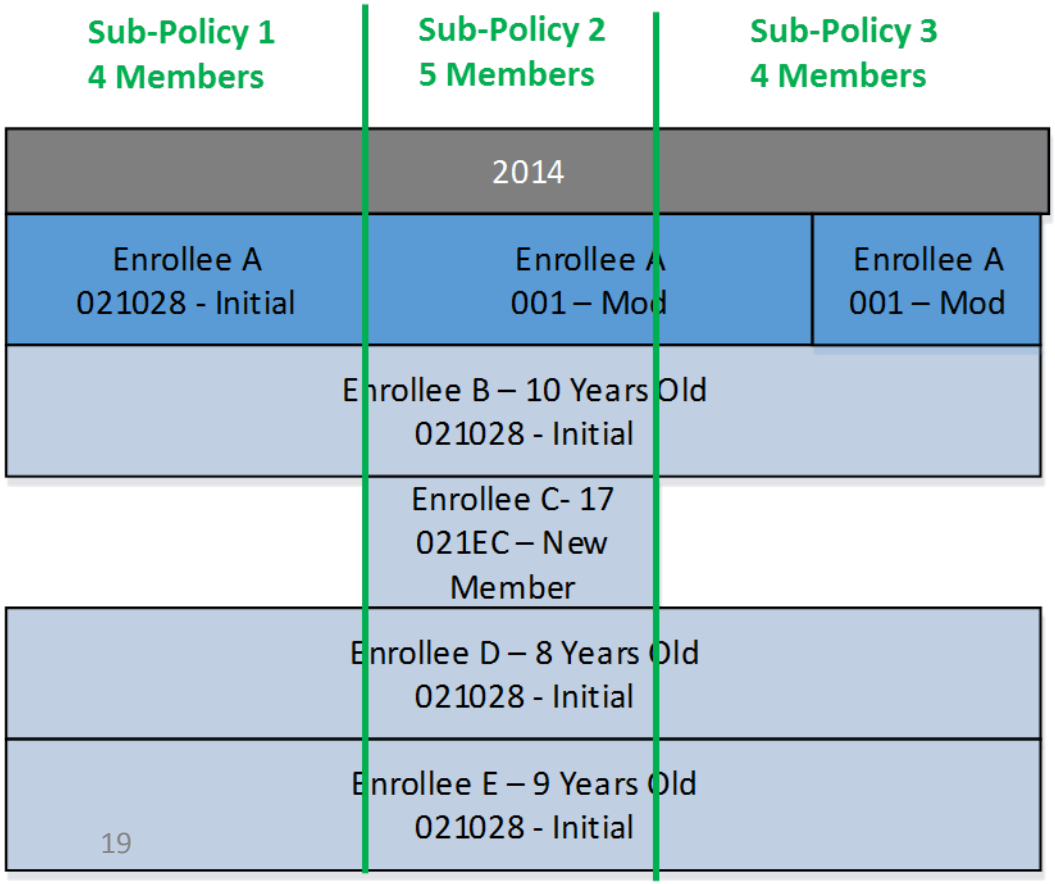
Allowable Rating Factor (ARF) Common Issues – Billable Member Determination

- **Billable Member Determination**
  - The billable member determination logic (ACA or Family Tier rating methods) is applied for each period of time within a family policy that has unique enrollees (100% coverage for all enrollees)
  - The following slide provides a detailed example
- **Note** - For further details on the transfer calculation and rating methods refer to the RA Payment Transfer webinar (slides 32-35) on REGTAP
  - https://www.regtap.info/uploads/library/RA_PTslides_021115_5CR_021315.pdf

Allowable Rating Factor (ARF) Common Issues – Billable Member Determination (continued)

- **RA Billable Member Determination**
  - In the below example of a family policy with 4 dependents, the system will identify 3 unique sub-policy periods

- Billable member determination logic is applied independently to each sub-policy period:
  - **Sub Policy 1**
    - All members billable
  - **Sub Policy 2**
    - Dependent D is the 4th oldest and is not billable
  - **Sub Policy 3**
    - All members are billable



Allowable Rating Factor (ARF) Common Issues – Billable Member Determination (continued)

- **RA Billable Member Determination**
  - The below query can be used to identify the sub-policies that were created for an individual enrollee

```
SELECT
        MEMBER.RCVD_INSRD_MMBR_ID ENROLLEEID,
        PERIOD.INSRNC_PLAN_ID PLANID,
        SUB.SUB_PLCY_STRT_DT SUBPOLICYSTARTDATE,
        SUB.SUB_PLCY_END_DT SUBPOLICYENDDATE,
        RISK.RA_SCORE RISKSCORE
FROM
        INSRD_MMBR MEMBER,
        MMBR_INSRNC_PLCY_CVRG PERIOD,
        RISKSCORE RISK,
        SUB_PLCY SUB
WHERE
        MEMBER.INSRD_MMBR_ID = PERIOD.INSRD_MMBR_ID
        AND RISK.MMBR_INSRNC_PLCY_CVRG_ID = PERIOD.MMBR_INSRNC_PLCY_CVRG_ID
        AND SUB.MMBR_INSRNC_PLCY_CVRG_ID_FK = PERIOD.MMBR_INSRNC_PLCY_CVRG_ID
        AND (YEAR(SUB.SUB_PLCY_STRT_DT) = '2014' OR YEAR(SUB.SUB_PLCY_END_DT) = '2014')
        AND MEMBER.RCVD_INSRD_MMBR_ID = ‘Enrollee ID';
```

Confirm the Claim is Active in the EDGE Server Database

- **If you are unsure why a claim is rejected,** confirm the claim is active in the EDGE Server Database:
  - See the following slide for how to search for active medical claims in the EDGE server database
  - If the query returns results for the claim ID entered, then it is an active claim

Medical Claim Query

The below query can be used to confirm if a particular medical claim is active in the EDGE server database and what the value is for the coverage dates, paid amount, and plan ID:

```
SELECT
        RECEIVED_INSURED_MEMBER_ID as 'Member ID',
        STATEMENT_COVERS_FROM_DATE as 'Statement Start',
        STATEMENT_COVERS_TO_DATE as 'Statement End',
        INSURANCE_PLAN_ID as 'Plan ID',
        CLAIM_PAID_TOTAL_AMOUNT as 'Paid Amount'
FROM
        EDGE_SRVR_PROD.MEDICAL_CLAIM
WHERE
        INACTIVATION_DT is NULL AND
        MEDICAL_CLAIM_ID = 'CADULT4SM00101';
```

Sample Output from query



Member ID	Statement Start	Statement End	Plan ID	Paid Amount
ARS001	2014-03-05	2014-03-06	39872VA013000101	100.00

Confirm the Claim is Not an Orphan Claim

- Confirm the claim is not an orphan claim
  - Orphaned claims are listed in the ECD report for each plan in the XML element: **activeClaimsIDsWithoutEnrolleeRecords**
  - Orphaned claims are not included for RI or RA

```
<?xml version="1.0"?>
- <enrolleeClaimsWithWithoutDetailReport xmlns="http://vo.edge.fm.cms.hhs.gov">
  + <includedFileHeader>
    <issuerYear>2014</issuerYear>
  - <includedPlanIdentifier>
      <planIdentifier>16430UT001000202</planIdentifier>
      <totalNumberOfActiveEnrollmentRecords>2</totalNumberOfActiveEnrollmentRecords>
      <totalNumberOfStoredActiveClaims>2</totalNumberOfStoredActiveClaims>
      <totalNumberEnrolleesWithLinkedClaims>1</totalNumberEnrolleesWithLinkedClaims>
      <totalNumberEnrolleelinkClaimFlaggedRaClaimSelection>1</totalNumberEnrolleelinkClaimFlaggedRaClaimSelection>
      <totalNumberOfEnrolleesNoLinkedClaims>1</totalNumberOfEnrolleesNoLinkedClaims>
      <totalNumberOfClaimsNoLinkedEnrolleeID>1</totalNumberOfClaimsNoLinkedEnrolleeID>
    - <includedEnrolleeWithout>
        <activeEnrolleeIDswithoutClaims>JESSIE09</activeEnrolleeIDswithoutClaims>
      </includedEnrolleeWithout>
    - <includedClaimWithout>
        <activeClaimsIDsWithoutEnrolleeRecords>PCLAIM08</activeClaimsIDsWithoutEnrolleeRecords>
      </includedClaimWithout>
    </includedPlanIdentifier>
```

Why is a Claim Orphaned?

- A claim is considered orphaned if is not linked to any active enrollment period:
  - The Plan ID tag (insurancePlanIdentifier) and enrollee ID tag (insuredMemberIdentifier) on the claim file must match the plan ID and enrollee ID on an active enrollment period

    AND
  - The claim date must fall within the same enrollment period coverage 'Start' and 'End' dates (coverageStartDate) and (coverageEndDate).
    - **Medical Claims:** The claim 'From' date (statementCoverFromDate) must be within the enrollment coverage date

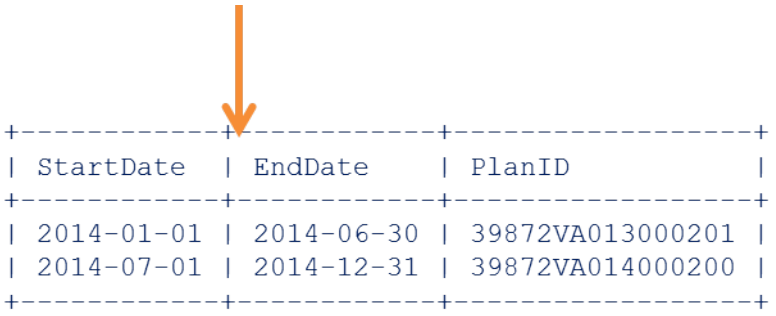
  NOTE: Both criteria must be met

Member Enrollment Periods Query

This query can be used to confirm the details for a specific member enrollment periods to validate if a claim falls within the enrollment coverage dates for the same plan:

```
SELECT
        CVRG_EFCTV_STRT_DT AS StartDate,
        CVRG_EFCTV_END_DT AS EndDate,
        INSRNC_PLAN_ID as PlanID
FROM
        MMBR_INSRNC_PLCY_CVRG
WHERE
        INACTIVATION_DT is NULL AND
        INSRD_MMBR_ID = (
        SELECT
                INSRD_MMBR_ID
        FROM
                INSRD_MMBR
        WHERE
                INACTIVATION_DT IS NULL and
                RCVD_INSRD_MMBR_ID = 'ENROLLEE6');
```

Sample Output from query



StartDate	EndDate	PlanID
2014-01-01	2014-06-30	39872VA013000201
2014-07-01	2014-12-31	39872VA014000200

Invalid Reasons for Submitting a Formal Discrepancy

- Issuers should not submit a formal discrepancy if:
  - Reports cannot be run
  - Issuer is unable to review reports within discrepancy reporting period
  - Issuer is confirming accuracy of reports
  - Reports are not available on the EDGE server
  - Issuer has an execution error
- If the issue is directly related to an EDGE server technical issue, please call 1-855-CMS-1515 or send an email to CMS_FEPS@cms.hhs.gov with the subject **"RARI Payment Report"**

CMS Next Steps

CMS will continue to support Stakeholders through the Risk Adjustment payment calculation estimate process by hosting webinars and Q&A sessions

Questions?

To submit questions by phone:

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

Resources

HTTPS://WWW.REGTAP.INFO

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

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
HHS-Developed Risk Adjustment Model Algorithm Instructions	https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/ra-instructions-4-16-13.pdf

Locating Reinsurance Documents in REGTAP

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

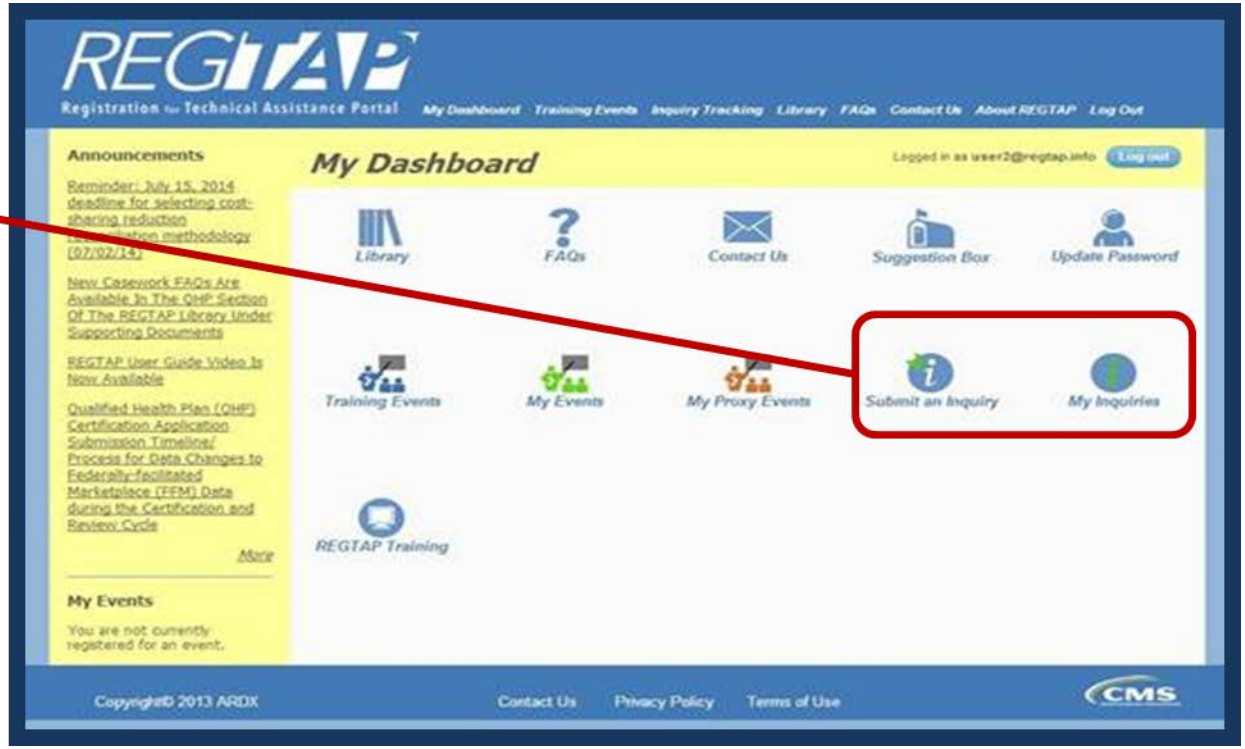
Under Program Area, select 'Reinsurance' or 'Risk Adjustment'



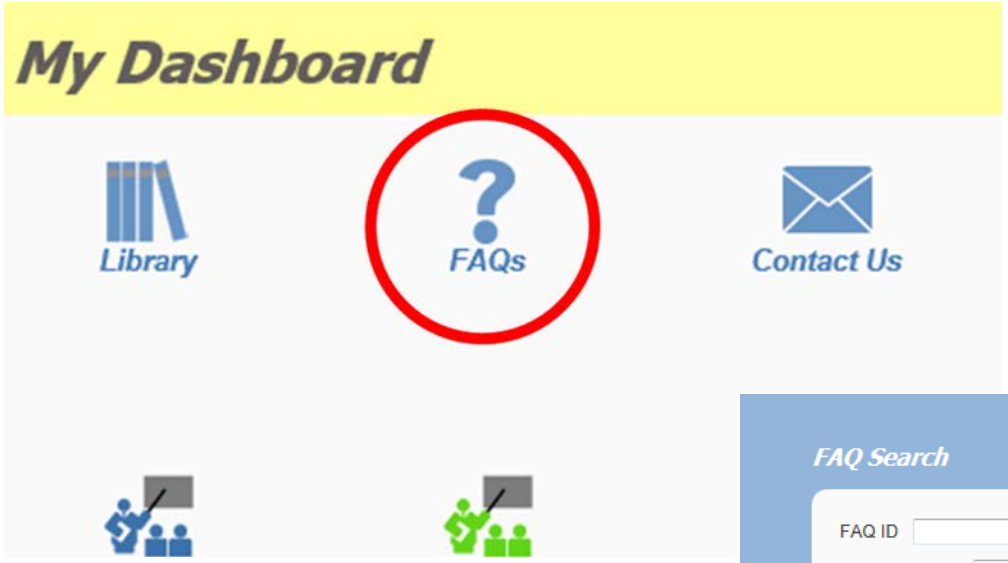
Inquiry Tracking and Management System (ITMS)

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

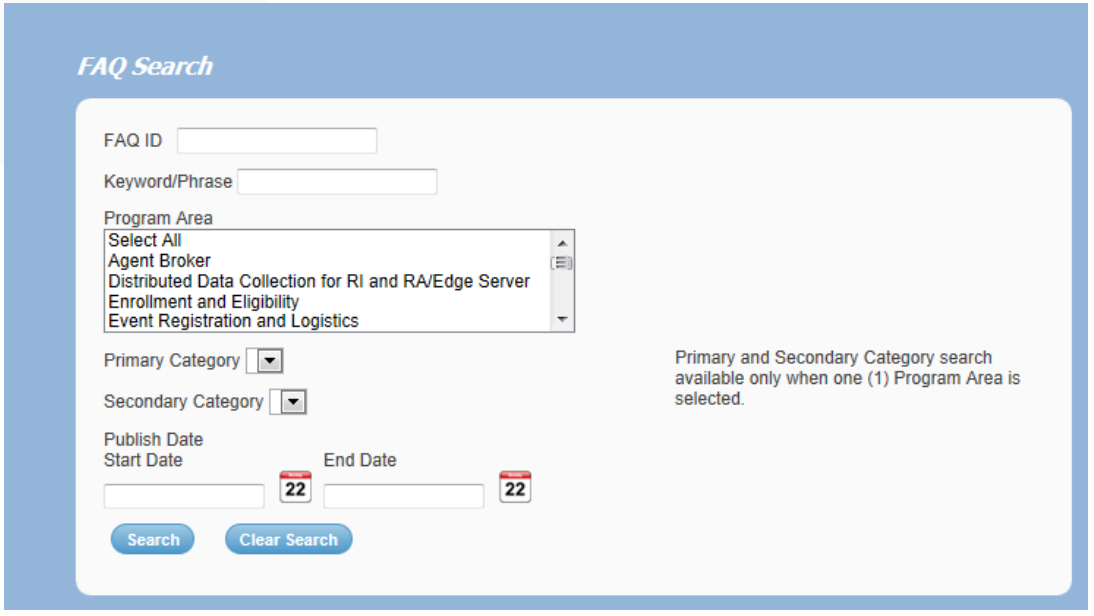
Select ‘Submit an Inquiry’ from My Dashboard.



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