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DATE: January 15, 2021
TO: All Medicare Advantage, Cost, PACE, and Demonstration Organizations
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: Applicability of diagnoses from telehealth services for risk adjustment - UPDATE

The 2019 Coronavirus Disease (COVID-19) pandemic continues to illustrate a need to maintain the expanded use of virtual care to reduce the risk of spreading the virus. As first announced in the April 10, 2020 HPMS Memo, “Applicability of diagnoses from telehealth services for risk adjustment,” Medicare Advantage (MA) organizations and other organizations that submit diagnoses for risk adjusted payment continue to be able to submit diagnoses for risk adjustment that are from telehealth visits when those visits meet all criteria for risk adjustment eligibility, which include being from an allowable inpatient, outpatient, or professional service, and from a face-to-face encounter.

This use of diagnoses from telehealth services applies both to submissions to the Risk Adjustment Processing System (RAPS), and those submitted to the Encounter Data System (EDS). Diagnoses resulting from telehealth services continue to meet the risk adjustment face-to-face requirement when the services are provided using interactive audio telecommunication simultaneously with video telecommunication to permit real-time interactive communication with the beneficiary.

While MA organizations and other organizations that submit diagnoses for risk adjusted payment identify which diagnoses meet risk adjustment criteria for their submissions to RAPS, MA organizations (and other organizations as required) report all the services they provide to enrollees to the encounter data system and CMS identifies those diagnoses that meet risk adjustment filtering criteria. In order to report services to the EDS that have been provided via telehealth, use place of service code “02” for telehealth or use the CPT telehealth modifier “95” with any place of service.

Questions can be addressed to RiskAdjustmentPolicy@cms.hhs.gov, please specify, “Applicability of telehealth services for risk adjustment – UPDATE” in the subject line.

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