

Caveats and Limitations

This presentation and question and answer session is not intended to be an actuarial opinion or advice, nor is it intended to be legal advice.

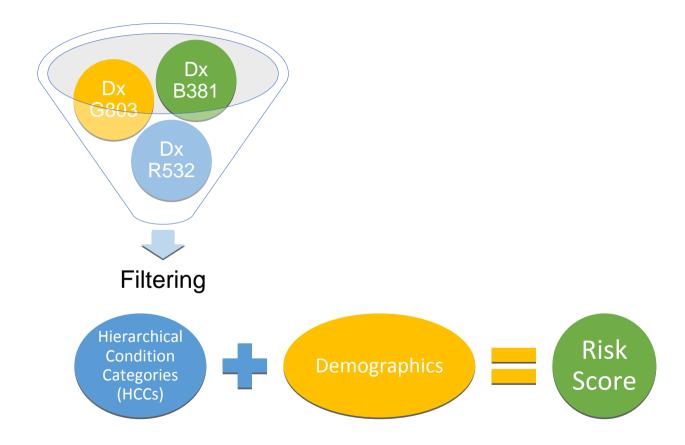
Any statements made during the presentation and subsequent question and answer session shall not be a representation of Milliman or its views or opinions, but only those of the presenter. These slides should not be relied upon without benefit of the discussion that accompanied them.

In preparing this presentation, I relied on data and information from the Center for Medicare and Medicaid Services (CMS), as well as aggregated Medicare Advantage risk score data. I have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the information I present may likewise be inaccurate or incomplete.

This presentation reflects my experience working with various Medicare Advantage plans. Each plan's circumstances, beneficiaries, and infrastructure are unique. I present general information about Medicare Advantage risk adjustment that is not intended to be a specific actuarial opinion or advice.



Background on Risk Scores





Model Structure

Risk Score = Age / Sex / Eligibility Component +

Disease Component +

Interaction Component



Background on Risk Scores

Example: 75-year old male, institutional status, suffers from diabetes with complications and congestive heart failure.

FACTOR	VALUE	
75-year old male	1.316	
Diabetes w/chronic complications (HCC 18)	0.442	
Congestive Heart Failure (HCC 85)	0.204	
Diabetes / CHF interaction	0.170	
TOTAL	2.132	



RAPS and EDS Dataflow

RAPS – Risk Adjustment Processing System

- Used since inception of risk adjustment
- Created by MAOs MAOs filter all diagnosis codes based on CMS guidance
- Contains narrow set of data diagnosis clusters
- MAOs submit RAPS files to CMS
- CMS does basic review of RAPS diagnosis submissions, and provides a return file to the MAO
- Many forms of diagnosis documentation are acceptable

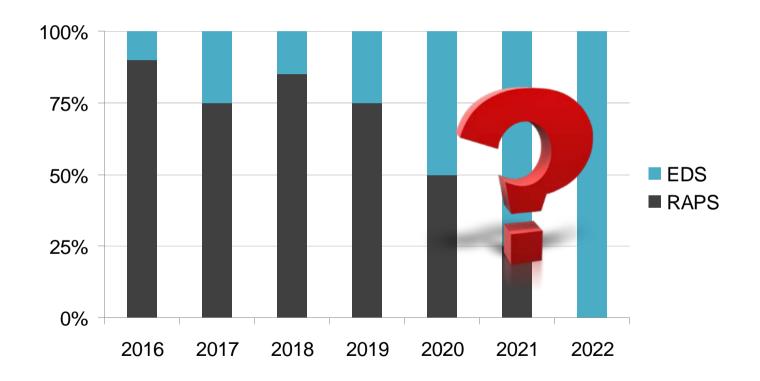
EDS – Encounter Data System

- MAOs submit full claims detail to CMS
- Many data elements
- Initial edits/tests are applied by CMS
- Claims are filtered by CMS for inclusion in risk adjustment



EDS Transition Timeline

CMS intends to rely solely on EDS records to calculate risk scores in the future





Submission Timeline

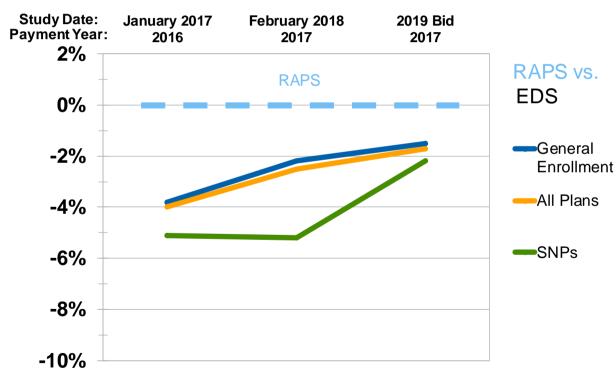
Submission deadlines (including extensions) for risk score runs

RISK SCORE RUN	DIAGNOSIS PERIOD	SUBMISSION DEADLINE		INCLUDES EDS?	
		RAPS	EDS	INCLUDES EDS	
2016 Interim Final	1/1/2015 - 12/31/2015	1/31/2017	4/2/2018	Υ	
2016 Final	1/1/2015 – 12/31/2015	1/31/2017	8/2/2018	Υ	
2017 Interim Final	1/1/2016 – 12/31/2016	1/31/2018	1/31/2018	Υ	
2017 Final	1/1/2016 - 12/31/2016	5/4/2018	9/14/2018	Υ	
2018 Initial	7/1/2016 – 6/30/2017	9/8/2017		N	
2018 Mid-Year	1/1/2017 - 12/31/2017	3/2/2018		Υ	
2018 Final	1/1/2017 – 12/31/2017	1/31/2019		Y	
2019 Initial	7/1/2017 – 6/30/2018	9/7/2018		Υ	
2019 Mid-Year	1/1/2018 – 12/31/2018	3/1/2019		Υ	
2020 Initial	7/1/2018 – 6/30/2019	9/6/2019		Υ	



EDS results in lower risk scores than RAPS, but the gap is closing.

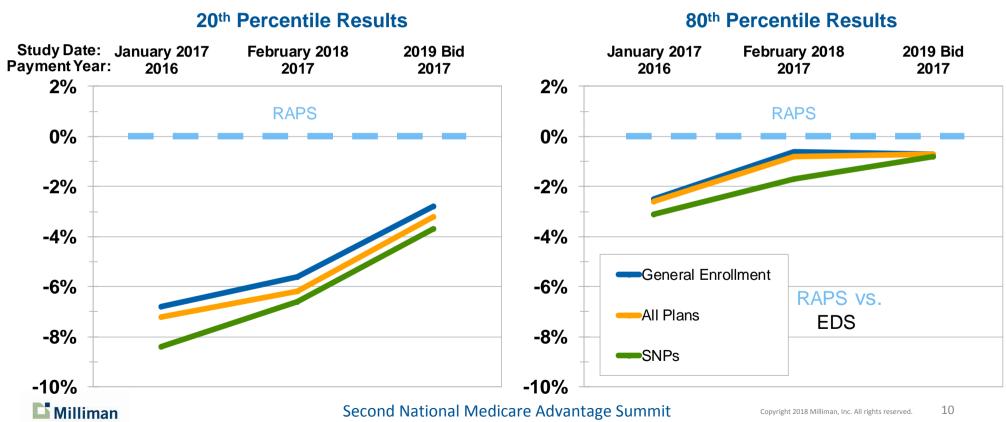
Part C risk score differences (RAPS vs. EDS) 50th Percentile Results





EDS results in lower risk scores than RAPS, but the gap is closing.

Part C risk score differences (RAPS vs. EDS)



How to Improve Your Risk Score

Assess current situation

Define the problem

Develop improvement plan

Execute & Monitor progress

Repeat as necessary

- Gap analyses:
 - EDS vs RAPS
 - Year-overyear HCCs
 - Pharmacy

- Systems issue?
- Specific provider?
 - Reporting issue?
- Data capture
- Chart review
- In-home assessment
- Provider incentives

- Execute plan
- Set measurable goals and assess results





Plan Score Card

Fair

- · Have you measured your current EDS risk scores?
- Do you have a plan for measuring EDS risk scores (based on current data submissions)?

Good

- Have you specified a goal for EDS risk scores and developed a plan to meet that goal?
- Are your provider coding standards consistent with Medicare FFS and the EDS filters?

Great

- Do your EDS submissions capture all diagnosis sources (e.g. claims, encounters, chart reviews)?
- Have you audited your EDS and RAPS processes for consistency with source systems?



