

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard, Mail Stop S3-16-16
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: December 20, 2006

TO: All Medicare Advantage Organizations, Cost Plans, PACE Organizations and Demonstrations

FROM: Thomas Hutchinson /s/
Director

SUBJECT: Requirements for Submitting Risk Adjustment Data to CMS

The Centers for Medicare & Medicaid Services (CMS) is providing your organization with these *Requirements for Submitting Risk Adjustment Data to CMS*. These requirements are a condition of payment for all plans participating in the Medicare Advantage (MA) program.

Within one month of your organization's receipt of this letter, CMS requires that your organization submit a completed electronic data interchange (EDI) form to Palmetto, GBA, Customer Service and Support Center (CSSC). Although a plan may designate another entity to submit claims on its behalf to CMS, the plan remains responsible for data submission, accuracy and content.

Whether a plan elects to submit data itself or chooses to use a third party submitter, all MA organizations must register with CSSC as a certified submitter within 30 days of their Health Plan Management System (HPMS) effective date.

Within three months of your organization's receipt of this letter, CMS requires that your organization submit test data and secure permission to submit production data; this requirement is a condition of payment for all plans participating in the MA program. Failure to submit test files and submit subsequent risk adjustment data may result in: 1) payment recovery by CMS through lump-sum recovery, 2) ceasing monthly payments throughout the remainder of a coverage year, and/or 3) adjusting payments in a subsequent year.

Within four months of your organization's receipt of this letter, CMS requires that your organization submit accurate diagnostic data; this requirement is a condition of payment for all plans participating in the MA program. CMS is interpreting high levels of duplicate submissions [i.e., submissions containing duplicate submissions (502 errors) in excess of five percent (5%)] as violating the requirement to submit accurate data. Failure to submit accurate and timely risk adjustment production files may result in: 1) incorrect payments to your MA organization; 2) loss of monthly prospective revenue relating to beneficiary-health status; 3) payment recovery

through a lump-sum recovery; 4) cessation of monthly payments throughout the remainder of a coverage year; and/or 5) adjusting payments in a subsequent year.

To ensure appropriate payment under the risk adjustment payment models, your MA organization must submit complete and accurate risk adjustment production data at least each calendar quarter.

Non-compliance with these requirements may result in CMS restricting future risk adjustment submissions by your MA organization.

If your MA organization requires assistance to complete an EDI agreement and/or establish a test and production schedule, please immediately contact the CSSC at 1-877-534-2772 or www.cssoperations.com.

We look forward to working with your organization on this risk adjustment activity.

Thank you.