

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: May 6, 2020

TO: All Medicare Advantage Organizations, PACE Organizations, Medicare-Medicaid Plans, Section 1833 Cost Contractors and Section 1876 Cost Contractors, and Demonstrations

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: Risk Adjustment Processing System 408, 409, and 410 Edit Update and Risk Adjustment Model Run Impact

This memo informs Medicare Advantage Organizations (MAOs), Program of All-Inclusive Care for the Elderly (PACE) Organizations, Medicare-Medicaid Plans, Section 1833 Cost Contractors and Section 1876 Cost Contractors, and Demonstrations of recent refinements made to the Risk Adjustment Processing System (RAPS) related to the 408, 409, and 410 edits.

Background

The 408, 409, and 410 edits are RAPS reject edits that occur as part of RAPS data processing of inbound records. These edits are linked to beneficiary enrollment information and post in the event that a beneficiary is not enrolled in any Medicare plan (MAOs and other organizations listed above) for the service from date (408), service through date (409), or if the service from date occurs after the beneficiary's disenrollment from the submitting plan (410). The 408 and 410 edits apply to all provider types (inpatient, outpatient, and physician) while the 409 edit only applies to outpatient and physician provider types.

CMS allows submitters to submit RAPS data with any valid beneficiary identifier on record for a beneficiary (see the December 22, 2017 Health Plan Management System (HPMS) memo, "Updates to the Encounter Data System and Risk Adjustment Suite of Systems to Accommodate the New Medicare Card Project"). However, from April 1, 2018 to November 22, 2019, these edits did not properly post for instances in which diagnoses were submitted using the Medicare Beneficiary Identifier (MBI). This issue resulted in approximately 0.1% of unique diagnoses used to calculate risk scores for payment years 2017-2020 being accepted and used in risk score calculations when they should not have been.

This issue affected the following risk adjustment model runs:

Risk Adjustment Model Run	Deadline for Submission of Risk Adjustment Data	Payment Month
PY2017 Final Reconciliation	Encounter Data: September 14, 2018 RAPS Adds: May 4, 2018 RAPS Deletes: September 14, 2018	April 2019
PY2019 Mid-Year	March 1, 2019	June 2019
PY2018 Updated Final Reconciliation	January 31, 2019	October 2019
PY2020 Initial	September 6, 2019	January 2020

Recent Refinements

To resolve this issue, CMS has taken the following steps:

- Implemented a system change to check the MBI when editing RAPS data through the logic for edits 408, 409, and 410. This system change went into effect on November 25, 2019.¹
- On January 2-3, 2020, CMS identified and marked as deleted in our systems the impacted diagnoses that were erroneously accepted from April 1, 2018 to November 22, 2019.
- Marking these diagnoses as deleted in our systems will ensure that they will not be included in future risk adjustment model runs of these payment years.

Important Notes

- MAOs do not need to take any actions to delete the impacted diagnoses, and any subsequent effort to delete these clusters will result in reject edit code 491 posting (Delete Error, Diagnosis Cluster Previously Submitted).
- CMS will share data with plans regarding the specific diagnoses that should have been rejected, and that we marked as deleted (see below).
- These system changes corrected the data that will be used in upcoming risk adjustment model runs (PY 2019 Final, PY 2020 Mid-Year, and PY 2021 Initial), as well as reruns of PY2017 and PY2018 risk scores.
 - The correction to the PY2019 Mid-Year risk scores will be handled as part of the PY2019 Final risk adjustment model run.
 - The correction to the PY2020 Initial risk scores will be handled as part of the PY2020 Mid-Year risk adjustment model run.
 - CMS will notify organizations regarding the timing of future risk adjustment model runs to correct PY 2017 and PY 2018 data in future HPMS correspondence.

As plans review their data, we also note that these erroneously accepted diagnoses only impact risk scores if they are the only instance of a diagnosis triggering a Hierarchical Condition Category (HCC) in a beneficiary's diagnosis profile. If there is another instance of the same diagnosis or another diagnosis that triggers the same HCC, there will be no change in the risk

¹ The RAPS system does not process data on weekends. Therefore, the system change implemented on November 25, 2019 corrected the issue for all data submitted on Saturday, November 23, 2019 onward.

score.

For MAOs and demonstration plans, any impact that these system changes may have will only affect the RAPS-based risk score used to calculate the blended risk score used in payment, and will not change your encounter data-based risk score. For PACE organizations, these system changes may affect your risk score calculated using diagnoses from RAPS, encounter data, and FFS.

Reports Reflecting Impacted Diagnoses

- CMS will issue reports to inform organizations of the impacted diagnoses on or before May 11, 2020.
- Reports will be delivered through the same data transfer protocols used for transmission of all the RAPS transaction reports.
- The reports will use the format of the RAPS Daily Transaction Error Report² but will be renamed as the Corrected 408, 409, & 410 Edit Code Report in the Header segment.
- The filenames for these reports will be the same as those used for the Daily Transaction Error Reports.
- The addendum below presents information on how the RAPS Daily Transaction Error Report data fields will be populated for the purpose of presenting the diagnoses that were affected by this issue and were subsequently deleted.
- Changes to the content of the header and sub-header data fields have been made to reflect the purpose of the Corrected 408, 409, & 410 Edit Code Report. These are shown in the addendum below.
- At the report detail line level, only the following data fields will be populated on the Corrected 408, 409, & 410 Edit Code Report Detail Line: Sequence Number (SEQ), Beneficiary ID (BENE ID), Provider Type (PRVD TYPE), From Date (FROM DATE), Thru Date (THRU DATE), Diagnosis Code (DGNS CODE), Diagnosis Error Code (DGNS ERR1), Submission Date (SUBMITTED DATE).
- The CORRECTED MBI data field will be renamed SUBMITTED DATE and be repurposed to hold the submission date of the diagnosis code.
- The beneficiary ID will be the latest MBI that existed at the time of submission (it could be the one submitted on the record originally or a corrected MBI populated by the RAPS system during processing).
- If a diagnosis code triggered more than one of the three edits (408, 409, and 410), only the first of the edits will be reported in the Diagnosis Error Code (DGNS ERR1) field.
- MAOs should use the information in the Thru Date (THRU DATE) field to determine the service year of the diagnosis.

Questions related to this memo should be sent to riskadjustment@cms.hhs.gov. Please use 'HPMS Memo- Risk Adjustment Processing System 408, 409, and 410 Edit Update and Risk Adjustment Model Run Impact' as the subject in communications regarding this memo.

² Additional information on the RAPS Daily Transaction Error Report can be found in the March 2017 User Group Slides.

Addendum 1: Report Layout for Corrected 408,409, & 410 Edit Code Report

Report Header 1

Field Name	Production Transaction Error Report	Corrected 408, 409 & 410 Edit Code Report
Report ID	RAPS002	RAPS408
ICD Version ID	**ICD10**	**ICD10**
Application Name	RISK ADJUSTMENT PROCESSING SYSTEM	RISK ADJUSTMENT PROCESSING SYSTEM
Page Number	Report page number	Report page number

Report Header 2

Field Name	Production Transaction Error Report	Corrected 408, 409 & 410 Edit Code Report
Run Date	RAPS Processing Date	Date of Report Generation
Report Name	TRANSACTION ERROR REPORT	CORRECTED 408, 409 & 410 EDIT CODE REPORT
Trans Date	From AAA	20100102

Report Sub Header 1

Field Name	Production Transaction Error Report	Corrected 408, 409 & 410 Edit Code Report
Submitter ID	From AAA	The Submitter ID of the bene 408 409 & 410 edit error
File ID	From AAA	Blank
Plan ID	From BBB	The Submitted Plan Number of the bene 408 409 & 410 edit error
Batch Number	From BBB	0000000

**Report Sub Header
2 & 3**

Field Name	Production Transaction Error Report	Corrected 408, 409 & 410 Edit Code Report
Last field sub header	CORRECTED MBI	SUBMITTED DATE

Report Detail Line

Field Name	Production Transaction Error Report	Corrected 408, 409 & 410 Edit Code Report
SEQ	From CCC record	Start with 0000001 on report break
SEQ ERR	From RAPS	Blank
PATIENT CONTROL ID	From CCC record	Blank
BENE ID	From CCC record	Bene MBI
BENE ERR	From RAPS	Blank
DOB	From CCC record	Blank
DOB ERR	From RAPS	Blank
PRVD TYPE	From CCC record	Provided
FROM DATE	From CCC record	Provided
THRU DATE	From CCC record	Provided
DEL IND	From CCC record	Blank
DGNS CODE	From CCC record	Provided
DGNS ERR1	From RAPS	Provided (408, 409 or 410)
DGNS ERR2	From RAPS	Blank
MAEA CD	From CCC record	Blank
MAEA ERR	From RAPS	Blank
SUBMITTED DATE*	From RAPS	Submitted date

* renamed from CORRECTED MBI as noted under Report Subheader 2 & 3 table for the Corrected 408, 409, & 410 Edit Code Report