

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR MEDICARE

DATE: June 25, 2019

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, Acting Director, Medicare Plan Payment Group

SUBJECT: Payment Year 2018 Final Reconciliation Update

Payment Year (PY 2018) final reconciliation went into payment in May 2019. This memo is to inform Medicare Advantage Organizations (MAOs) and other plan sponsors that receive risk adjusted payments that, later this year, CMS will be conducting an updated run of PY 2018 final reconciliation to correct processing errors that occurred in the calculation of the encounter data based risk scores. These 2018 risk scores will reflect fixes to capture missing diagnoses due to the following issues:

- 1. Diagnoses submitted on chart review records that were reported on the MAO-004 report but were excluded from risk score calculations:** CMS has confirmed that there are some instances where diagnoses submitted on accepted linked and unlinked chart review records and reported as allowed ('A') and add ('A') on the MAO-004 report were erroneously excluded from the final PY 2018 reconciliation risk score calculations. The MAO-004 is reporting these diagnoses correctly.
- 2. Diagnoses submitted on encounter data and chart review records for beneficiaries with Railroad Board (RRB) identifiers that were reported on the MAO-004 report but were excluded from the risk score calculations:** CMS has confirmed that there are some instances where diagnoses for beneficiaries with RRB identifiers (i.e., those that begin with A, M, or W) were not included in the risk score calculations. The MAO-004 is reporting these diagnoses correctly.

This updated run of PY 2018 final reconciliation will use diagnosis data submitted by the original submission deadline for PY 2018 final reconciliation (i.e., January 31, 2019). The diagnoses excluded from the PY 2018 final reconciliation as a result of the processing errors noted above will be included in the encounter data-based risk score, as long as these diagnoses were not replaced or voided by the January 31st deadline. CMS anticipates the updated risk scores to be reflected in the October payment.

When the updated risk scores are applied in payment later this year, updated beneficiary demographics and related statuses will be reflected, including the most recent information on long term institutional status.

If you have questions regarding this memo, please email riskadjustment@cms.hhs.gov, with the subject line: “*PY 2018 Final Reconciliation Update*”.