

# Latest News

December 2014

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## Proposed New Regulations for the Patient Protection and Affordable Care Act

*On November 21, 2014, proposed regulations for the Patient Protection and Affordable Care Act were announced in HHS' Notice of Benefit and Payment Parameters for 2016. This document highlights the proposed items affecting risk adjustments.*

### Risk Adjustment User Fee

The risk adjustment user fee would increase from \$0.96 per enrollee per year to \$1.75 per enrollee per year.

### Risk Adjustment Model Updates

More recent claims data will be used in the risk adjustment model. For example, Truven MarketScan data would be used for 2010, 2011, and 2012. However, should 2013 data become available, 2011, 2012, and 2013 would be used.

Blending of coefficients for the three year data period (versus pooling) has also been proposed. HHS would publish the R-squared statistics of the three separately estimated sample years and the blended coefficient for each risk adjustment factor.

“Age 0” infants without HCCs will be assigned to “Age 1” by severity level. This change will be implemented concurrently with risk adjustment factors.

### Payment Transfer Formula

No changes to the payment transfer formula have been proposed at this time.

### Risk Adjustment Methodology

The HHS risk adjustment methodology is being further clarified. Allowable Rating Factors (ARFs) for:

- Community rated states
- Family tiering

### Risk Adjustment Data Validation (RADV)

There was no language in the proposed regulations regarding RADV or the six-step process that includes Initial Validation Audits (IVAs).

### Comment Period

The comment period closes December 22, 2014 at 5:00 PM EST.

**Please visit the November 21, 2014 “Updates” section of [www.cms.gov/CCIIO](http://www.cms.gov/CCIIO) or go to [www.gpo.gov/fdsys/pkg/FR-2014-11-26/pdf/2014-27858.pdf](http://www.gpo.gov/fdsys/pkg/FR-2014-11-26/pdf/2014-27858.pdf) for more information on the proposed regulations outlined here.**

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- In-Home Prospective Assessments
- Retrospective/Concurrent Chart Reviews
- Risk Verification
- RADV Support
- Provider & Coder Training

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