

Health Insurance Exchange Risk Adjustment Data Validation (RADV)

Latest News

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Recently, Cognisight had the unique opportunity to speak directly with a representative from the Department of Health and Human Services (HHS), the federal agency responsible for the implementation of the Health Insurance Exchange. We asked a number of key questions to eliminate the confusion and various interpretations about Risk Adjustment Data Validation (RADV) audits for Issuers on the exchange.

This document is meant to share our learnings from this discussion and continue our long-standing goal of sharing knowledge with clients and potential clients.

- There was some industry conjecture that HIX RADV would be similar to RAC audits. HHS has confirmed that HIX RADV will be characteristic of the Medicare Advantage RADV audits.
- HHS' intent is for the Initial Validation Audit organization (IVA) to be separate and distinct from the risk adjustment vendor to eliminate any conflict of interest. HHS' current regulations are not crystal clear on this subject and HHS said they may not have any time to issue new regulations. Cognisight believes strongly in the separation of duties between IVAs and HIX Risk Adjustment vendors. Therefore, we have made the corporate decision that as an Issuer's risk adjustment vendor, we will not also be their IVA.
- HHS will be reducing the RADV audit sample size from 300 to 200 members.
- The guidance regarding the submission of more than one medical record to substantiate an HCC is still pending.
- HHS confirmed there will be no financial extrapolation impact from the IVA/SVA for the first two years. It was emphasized that, should concerns arise out of the audit, other audit measures could be invoked including but not limited to compliance with the False Claims Act.

To recap what is already known:

- Every issuer will be audited every year within each state they operate
- RADVs will be bi-directional. HHS will be looking for missed HCCs in addition to validating what is already submitted
- 2/3 of the sample is driven by members with HCCs, 1/3 of the sample is driven by members without HCCs

Should you have any questions about this information, please do not hesitate to contact Cognisight toll-free at 877.271.1657.

We're pleased to bring you this important insight.