

# Latest News for Health Insurance Exchange

February 2015

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

On February 20, 2015, CCIIO posted final regulations for the Patient Protection and Affordable Care Act as announced in HHS' Notice of Benefit and Payment Parameters for 2016. This document highlights the final 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

Please keep in mind there are no model changes for 2015 benefit year.

For 2016, "age 0" infants without HCCs will be assigned to "Age 1" by severity level. This change will be implemented concurrently with risk adjustment factors.

HHS will consider including Rx data in future model recalculations. Similarly, HHS intends to evaluate additional medical conditions and characteristics for new enrollees.

### Payment Transfer Formula

There are no changes to the payment transfer formula.

### Risk Adjustment Methodology

Cost sharing reduction adjustment remains as proposed. (Table 7, page 72)

### Supplemental Chart Reviews, Prospective Assessments, and Risk Adjustment Data Validation (RADV)

There was no language in the final regulations regarding RADV or the 6-step process that includes Initial Validation Audits (IVAs). These items continue to be addressed through REGTAP.

### R-Squared Statistic for HHS Risk Adjustment Model

The R-squared statistics for 2013 market scan data have been added and 2010 has dropped off. Table 8, page 73 has the R-squared statistics.

**For more information on the final regulations outlined here, please visit:**

◇ The February 20, 2015 "Updates" section of [www.cms.gov/CCIIO](http://www.cms.gov/CCIIO)

- or -

◇ [http://www.ofr.gov/%28X%281%29S%28vp32o25ckyhpvspfpz3owe4%29%29/OFRUpload/OFRData/2015-03751\\_PI.pdf](http://www.ofr.gov/%28X%281%29S%28vp32o25ckyhpvspfpz3owe4%29%29/OFRUpload/OFRData/2015-03751_PI.pdf)

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As HCC risk adjustment experts, we enable our clients to improve the quality of health care they deliver while maximizing efficiency and assuring accurate revenue. Our continuum of comprehensive risk adjustment services include:

- Analytics
- Retrospective/Concurrent Chart Reviews
- Health Risk Assessments
- Risk Adjustment Data Validation (RADV/IVA)
- Risk Verification
- Provider & Coder Training

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We're pleased to bring you this important insight.

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