

Latest News for Health Insurance Exchange

ACA HHS - Operated RADV Updates

February 18, 2016

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On 2/17, REGTAP shared updates on the ACA HHS-Operated RADV during their "Health Insurance Marketplace Training Series." Highlighted below are the salient items affecting Initial Validation Audits from the training.

2015 Pilot Year Exemptions

There are two scenarios when HIOS are exempt from participating in the 2015 IVA.

- 1) Issuers who have no risk adjusted-covered plans in the individual and small group markets in the 2016 benefit year.

⇒ These issuers must notify their Financial Management Service Representative and complete an attestation.

- 2) Issuers with less than 500 combined billable months in the individual and small group markets within a state as of February 1, 2016 for risk adjusted data submitted for 2015 benefit year (per RATEE report dated February 2, 2016).

Sample Selection

IVA sample will be based upon issuers enrollee population size.

- 1) If the population is greater than or equal to 4,000 enrollees, the sample size is 200 enrollees.
- 2) If the population is greater than 50 but less than 4,000 enrollees, the sample is prorated using the following Finite Population Correction (FPC). Examples from CMS at bottom.

$$FPC_Sample_Size = FPC * n = \left(\frac{N-n}{N}\right) * n$$

– N is the issuer's population size (total enrollees)
– n is the default sample size (200)

- 3) If the population is less or equal to 50 enrollees, then all members will be selected.

Finite Population Correction (FPC): Example 1

- The IVA sample size is calculated based on the population size. If an issuer's population is less than 4,000 and greater than 50, the formula below is used to calculate sample size. In this example, the formula is used to calculate the sample based on a population size of 3600.

$$FPC_Sample_Size = FPC * n = \left(\frac{N-n}{N}\right) * n$$

$$FPC_Sample_Size = \left(\frac{3600-200}{3600}\right) * 200 = 188.89$$

- CMS then determines the appropriate the sample size by selecting the *greater* of the calculated sample size (189) or 50.
- In this example, a target sample size of 189 will be used instead of 200.

Finite Population Correction (FPC): Example 2

- The IVA sample size is calculated based on the population size. If an issuer's population is less than 4,000 and greater than 50, the formula below is used to calculate sample size. In this example, the formula is used to calculate the sample based on a population size of 125.

$$FPC_Sample_Size = FPC * n = \left(\frac{N-n}{N}\right) * n$$

$$FPC_Sample_Size = \left(\frac{125-200}{125}\right) * 200 = -120$$

- CMS then determines the appropriate the sample size by selecting the *greater* of the calculated sample size (-120) or 50.
- In this example, a target sample size of 50 will be used instead of 200.

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RADV Population Summary

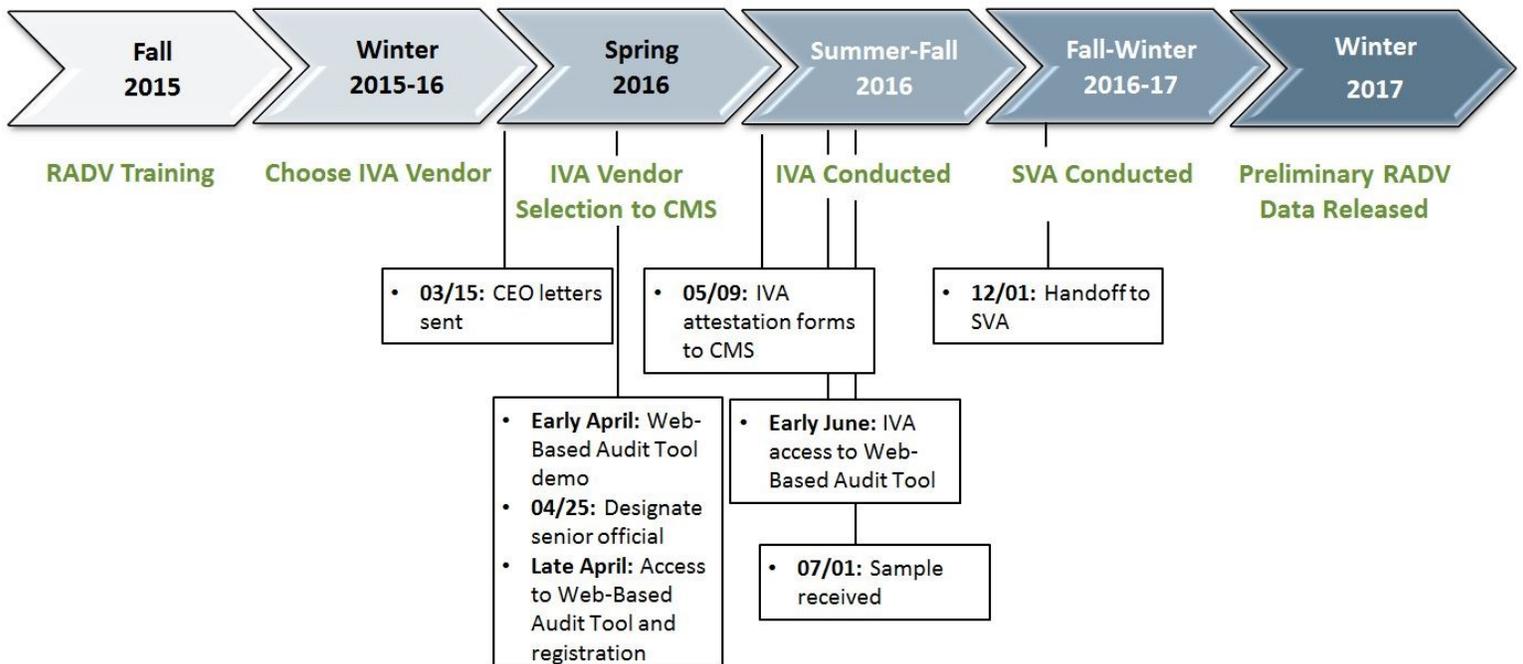
RADVPS report’s known defects will be resolved with the March 17, 2016 release. Issuers are to review the preliminary reports weekly, starting March 18 through April 22, 2016. The final RADVPS will be generated on May 3, 2016. Discrepancies between the RADVPS report and EDGE populations (for both the preliminary and final), need to be reported to your Financial Management Service Representative.

EDI Files

HHS and CMS are continuing discussions regarding 834, 835, and 837 requirements.

Timeline Updates

Additional timeline information was provided during the training and has been outlined below. ■



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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
- Chart Reviews
- Health Assessments
- RADV/IVA
- Risk Verification
- Provider & Coder Training

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We're pleased to bring you this important insight.

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