

# Latest News

May 2014

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## Final Regs for CY 2015 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies

Final Regulations were posted to the Federal Register on May 23, 2014. There are several changes for CY 2015. We are highlighting the salient items that affect Risk Adjustments.

### Risk Adjustment Data Requirements Provisions

#### Medical Record Reviews

The proposed requirement that Medical Record Reviews cannot be designed to only identify diagnoses that would trigger additional payments; methodologies must be designed to also identify errors with submitted risk adjustment diagnoses, has been withdrawn. However, CMS continues to emphasize their expectation for accuracy. The CEO attestation of accuracy is still required.

Cognisight continues to endorse the need for risk adjustment validation and welcomes the opportunity to discuss proactive approaches with you.

#### Improving Payment Accuracy

The proposed regulation calling for the deletion of the January 31 deadline and replacing it with a statement that CMS will announce the final deadline has been withdrawn. The January 31 deadline will remain.

#### Redacts Following a Final Deadline

CMS finalized their proposed provision to accept redacts after the final deadline. There is extensive language that you will want to review. The regulations contain language around the pre-RADV process for redacts.

There is an important new highlight for overpayments. When Health Plans' detect overpayments after the reconciliation period, there is a strict *60 days from the time of identification to report and refund overpayments*. The regulations are clear that the "clock starts ticking" from the time of identification, not quantification. In addition, the lookback period is the 6 most recent years for which the applicable reconciliation period has been completed. Overpayments as a result of fraud are not limited to the 6 year lookback.

CMS will define the process.

#### RADV Appeals Simplification

The final language upholds combining the 2 currently separate processes. These separate processes, each with 3 steps, will become 1 process with 3 steps:

- Medical Record + Payment Error Calculation are now 1 process
- 3 Steps: Reconsideration > Hearing Officer Review > CMS Administrator Level Review

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RADV Appeals Simplification cont'd

CMS has also upheld the proposed minor changes for appeals simplification:

- Changing some definitions/terminology
- Clarifying what is/isn't eligible for an appeal
- Clarifying the manner and timing of the appeal

In addition, CMS is specifying that a Health Plan's burden of proof standard for payment calculation errors is finalized to extend to medical chart review. Another meaningful clarification is only one medical record can be used per audited HCC when there is an *appeal*.

Cognisight will continue to fully support all requirements of RADVs.

Expanding Scope

The final language upholds the proposed expanded authority to enable HHS and the HHS Secretary to audit.

This sets the stage for the potential of more than 30 contract level RADV audits per year.

Changes to Mandated CMS Compliance & Fraud and Waste & Abuse Training

The proposed requirement to use standard training from the Medicare Learning Network has been deferred until 2016.

Cognisight will be compliant in advance to support the First Tier, Downstream, Related Entity (FDR) obligations that are impacted as a result of the training changes.

We hope this summarized information is helpful to you. Please keep in mind that we have only highlighted the proposed changes that impact Risk Adjustments. There are many other changes contained in the CMS document.



**C**ognisight,™ LLC is a leading health care solutions provider, specializing in risk adjustment services for Medicare Advantage, Medicaid Managed Care, PACE plans, and Issuers on and off the Health Insurance Exchange. Our mission is simple: capture the most accurate and complete information to help ensure our clients have the best information to care for their members.

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
- Member Completed HRA's
- In-Home Prospective Assessments
- Retrospective/Concurrent Chart Reviews
- Risk Verification
- RADV Support
- Provider & Coder Training

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**We're pleased to bring you this important insight.**

Should you have any questions about this information, please do not hesitate to contact us at **877.271.1657** or **info@cognisight.com**.

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