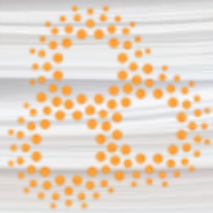


2025 ESSENTIAL RISK ADJUSTMENT INSIGHTS

How Plans & Providers Can Stay Ahead of Regulatory Changes & Compliance Challenges

December 12, 2024

VBC ExhibitHall
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Educational Webinar Series

ATTAC
CONSULTING GROUP

ABOUT US

Founded in 2003, ATTAC Consulting Group is recognized as a premier national consulting and auditing firm serving insurers, managed care and provider organizations on issues related to:

- Medicare Advantage
- Medicare Part D
- Medicaid
- Duals Programs
- ACOs
- Health Exchange (ACA) products

We specialize in:

- Risk Adjustment for Medicare Advantage, ACA & Medicaid Plans
- Regulatory Compliance
- Program Development
- Provider Network Development
- Operational Excellence, Business Transformation, & Systems
- Medical & Pharmacy Management

SPEAKER INTRODUCTIONS

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AGENDA

- 2025 Calendar of Risk Adjustment Activities
- Six Components of The Risk Adjustment Program
- OIG Audit Changes From Recent Reports

CALENDAR CRAZINESS

PY		Initial Payment - DOS	Initial Payment - Submission Deadline	Initial Payment Months	Midyear Payment - DOS	Midyear Payment - Submission Deadline	Midyear Payment Months	Interim Final Payment - DOS	Interim Final Payment - Submission Deadline	Interim Final Payment Months	Final Payment - DOS	Final Payment - Submission Deadline	Final Payment Months	
2024	Jan-24	Dates of Service												
	Feb-24													
	Mar-24				2024 Prospective Payments		X - 2024	2024 Retroactive Adjustments						
	Apr-24													
	May-24													
	Jun-24													
	Jul-24	Dates of Service for 2026 Initial Risk Scores			Dates of Service for 2025 Midyear Risk Scores			Dates of Service for 2025 Midyear Risk Scores		2024 Retroactive Adjustments	Dates of Service for 2025 Midyear Risk Scores			
	Aug-24													
	Sep-24			X - 2025				2024 Prospective Payments						
	Oct-24													
	Nov-24													
	Dec-24													
2025	Jan-25								X - 2024					
	Feb-25													
	Mar-25			2025 Prospective Payments		X - 2025	2025 Retroactive Adjustments							
	Apr-25							Dates of Service for 2026 Midyear Risk Scores			Dates of Service for 2026 Midyear Risk Scores			
	May-25													
	Jun-25													
	Jul-25													
	Aug-25													
	Sep-25		X - 2026					2025 Prospective Payments						
	Oct-25													
	Nov-25													
	Dec-25													
2026	Jan-26								X - 2025					
	Feb-26													
	Mar-26			2026 Prospective Payments		X - 2026	2026 Retroactive Adjustments							
	Apr-26													
	May-26													
	Jun-26													
	Jul-26													
	Aug-26													
	Sep-26													
	Oct-26													
	Nov-26													
	Dec-26													

Starting in December 2024

Plan Year 2023

- Wrap up retrospective chart chases for Jan. final submission

Plan Year 2024

- Wrap up final prospective visits for 2024 dates of service

Plan Year 2025

- Plan/update strategies, participants for prospective visits

CALENDAR CRAZINESS – KEY DATES

Medicare Advantage Submission Deadlines

- 1/31/2025: Payment Year 2024 Final Run (2023 Dates of Service)
- 3/7/2025: Payment Year 2025 Mid-Year Run (2024 Dates of Service)
- 9/5/2025: Payment Year 2026 Initial Run (7/1/2024 - 6/30/2025 dates of service)

ACA Submission Deadlines

- 1/23/2025: RADV BY2023 Package 1 Submission Deadline
- 1/27/2025: RADV BY2023 Package 2 Submission Deadline
- 4/30/2025: EDGE BY2024 Server Submission Deadline
- Risk Transfer/High-Cost Risk Pool Report 2024 Benefit Year Estimated Release Date: June 30, 2025
- EDGE Server BY2025 Blackout Period 5/1/2025 - Aug/Sep 2025 (date TBD)

NEVER A GOOD TIME, BUT...

With changeover of Plan Year from 2024 to 2025, it's time to evaluate if your risk adjustment program is:

- Achieving Objectives
- Operating Effectively
- Running Compliantly
- Engaging Sponsors
- Updated & Adapted for coming-year changes

6 COMPONENTS OF RISK ADJUSTMENT PROGRAM

- Prospective Programs
- Retrospective Programs
- Data, Analytics and Systems
- Compliance
- Provider Engagement
- Executive Engagement

PROSPECTIVE PROGRAMS

Last Year's Objectives: Program Objectives From 2023/2024

- Member Engagement: % of members seen for health assessments/care planning, by modality
- HCC Recapture Rate: % of chronic conditions from prior years documented w/ current year date of service
- Vendor Performance Levels: Visits conducted, quality of documentation, care planning accuracy
- Provider Performance Levels: Assigned member engagement, quality of documentation, care planning and follow up
- Care Management For High-risk Members: High-risk members engaged, care plan follow-up

Evaluate

- Members Not Seen: Member trends, location trends, provider assignment trends, vendor assignment trends
- Member Engagement Programs: What's response rate for all programs currently in place?
- Thresholds For High-Risk Member Assignment to Care Management
- Quality Assurance Program
- Care Plan Follow-Up: KEY for OIG audits

PROSPECTIVE PROGRAMS

Strategy & Planning

- New Member Identification & Assignment Plan
 - Identified and assigned to a prospective program
 - Review early Rx fills or member health survey responses to ID potential conditions
- Re-enrolled Member Identification & Assignment Plan
 - ID chronic/persisting conditions
- Vendor Strategy Based on Performance & Service Levels
- Training Material Updates to Account For Changes

Measure

- Set or Update Objectives
 - Changes in strategy, vendors, etc.
 - Ability to measure and verify
- Establish Measurement For Current & Updated Objectives

RETROSPECTIVE PROGRAMS

2023 & 2024 Program Objectives

- YOY Completions: Measure overall retro program performance against prior years
- Chart Retrieval Rate: Percentage of requested charts received by modality
- Chart Coding Throughput: Operational view of organization's capacity to code charts
- Chart Coding Accuracy: Quality assurance metrics for coding (by vendor, by coder)
- Retrospective Program Impact: Impact as measured by codes added or deleted from the Retro program
- Vendor Performance Levels: Service-level performance of vendors (visits conducted, quality of documentation, care planning)

Evaluate

- Provider Participation in Chart Retrieval Program
- Coding Quality of Vendors and Staff
- Documentation Deficiencies: Deleted codes due to accuracy, completeness, missing, or follow up care

RETROSPECTIVE PROGRAMS

Strategy & Planning

- Adjustments to Chart Selection Parameters
 - Additional opportunity
 - Bandwidth of clinical coding
 - Chart availability
- OIG High-Risk Conditions: Include to evaluate and/or mitigate risk of an OIG audit
- Timing of MA Chase List: Recommend no later than Q2 2025 with retro program beginning immediately
- Timing for ACA Chase List: Recommend Sept – Oct, 2025, w/retro program beginning now

Measure

- Set or Update Objectives
- Establish Measurement For Current & Updated Objectives

DATA, ANALYTICS & SYSTEMS

Annual Checklist of Changes

- Updates to Dx Codes, CPT HCPCS Codes, NDC Codes, J-Codes, etc. (remember upstream systems)
- Updates to HCC and RxHCC Code Models Per Advanced Notice Documents

[\(Advance Notice of Methodological Changes for Calendar Year \(CY\) 2025 for Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies\)](#)

Encounter Submissions

- New Plans: Enroll with CSSC to submit encounter data (see readiness checklist) or select a vendor
- Review Claims Processing/Other System Changes For Encounter Submission Impact: Changes to provider enrollment processes, member enrollment, claims, and data warehouse can all impact encounter processing
- Transaction Error Reports: Ensure they're generated/visible/available to those who work issues (enrollment, claims, provider information)

DATA, ANALYTICS & SYSTEMS

Analytics

- Review Claims Processing/Other System Changes For Analytics Monitoring & Measurement Impact: Changes to provider enrollment processes, member enrollment, claims, and data warehouse can all impact encounter processing
- Evaluate Changes to Operational & Performance Reporting Based on New Strategies or Changes to Processes
- Ensure HCC v24 to v28 and RxHCC v5 to v8 are Addressed in Reporting

With Analytics: It's common that operations, transaction processing & reporting get out of sync & data ends up not reflecting an accurate view

COMPLIANCE & PROVIDER ENGAGEMENT

Compliance: Establish Compliance Audit Schedule For 2025

- Chart Coding: Consider 3rd-party review of accuracy
- Vendor Oversight: Review performance, vendor contracts & data exchanges to ensure they meet compliance policies
- Provider Oversight: Review performance, value-based contracts & data exchanges to ensure they meet compliance policies
- Conduct OIG High-risk Dx Codes Assessment

Provider Engagement

- Review Pro & Retro Assessments Above: Adapt provider engagement strategy accordingly
- Coordinate Provider Engagement With Quality & Pop Health Programs
- Look For VBC Opportunities
- Be Creative Where Pockets of Members Are Missed (mobile clinic, health fairs)

EXECUTIVE ENGAGEMENT

Like it or not, risk adjustment is downstream from most operational functions, dependent on them for success & an indicator of problems when they arise

Evaluate

- Who “Sponsors” Your Team?
- How Are You Engaging Them in Work You Do?
- How Do You Engage With Peer Orgs?: Operations, systems, analytics, provider relations, member enrollment, care management
- How Are Issues Managed Timely & to Completion?

POLLING QUESTION #1

The Transition For Medical HCC From v24 to v28 Continues. What % of Plan Payment Will be Applied From v28 for Plan Year 2025?

- 33%
- 50%
- 67%
- 100%
- CMS will postpone it...so I shall ignore it

KEY CHANGES FOR PLAN YEARS 2025

- Transition from v24 to v28

Plan Year	DOS Year	V24 Blend Rate	V28 Blend Rate
2023	2022	100%	0%
2024	2023	67%	33%
2025	2024	33%	67%
2026	2025	0%	100%

- Part D Benefit Changes
- Pharmacy Risk Adjustment Changes

BENEFIT CHANGES FOR 2024 & 2025

PY 2023

- Member \$3,100 / \$8,000 max

PY 2024

- Plans absorb additional 5% of catastrophic coverage
- Member \$3,250 max

PY 2025

- Coverage gap tier dropped
- Initial coverage tier drug manufacturers responsible for 10%, plans 65%
- Catastrophic coverage plans cover 60%, drug manufacturers 20%; Medicare drops from 80% to 20%
- Member \$2,000 max

Plans will need to work with actuaries on bid strategy to address these impacts. No impact to risk adjustment operations or strategy.

[Changes to Medicare Part D in 2024 and 2025 Under the Inflation Reduction Act and How Enrollees Will Benefit | KFF](#)

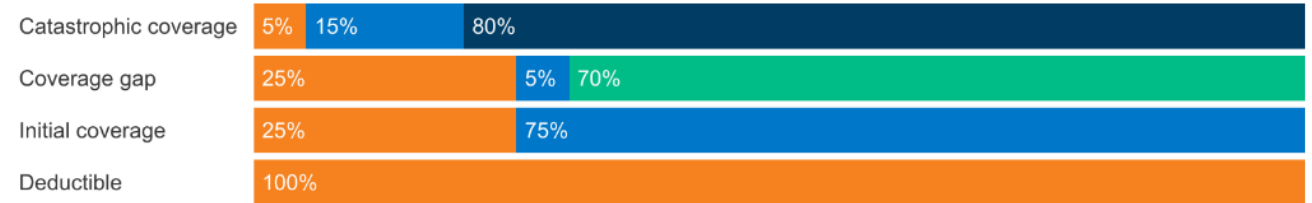
Figure 4

The Share of Medicare Part D Drug Costs Paid by Enrollees, Plans, Drug Manufacturers, and Medicare Will Change in 2024 and 2025

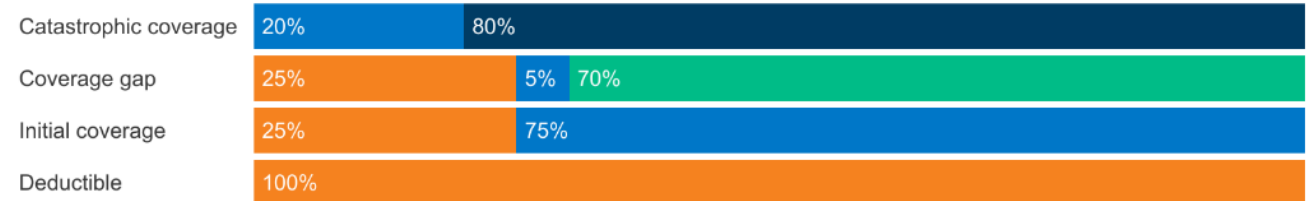
Share of total drug costs paid by:

■ Part D enrollees ■ Part D plans ■ Drug manufacturers ■ Medicare

2023



2024



2025



NOTE: The manufacturer discount applies to brand-name drug costs only. For generic drug costs, plans pay 75% in the coverage gap phase in 2023 and 2024, and 75% in the initial coverage phase in 2025, and Medicare will pay 40% in the catastrophic coverage phase in 2025.

SOURCE: KFF, based on Medicare Part D benefit design changes in the Inflation Reduction Act.

HCC & RxHCC MAPPING GAPS

- Dx Codes that map to an HCC – 5,299
 - Map to HCC v28 – 3,867 (73%)
 - Mapped to v24 – 3,821 (98.8%)
 - **Not mapped to v24 – 46 (1.2%)**
 - Not mapped to HCC v28 – 1,432 (27%)
 - Not mapped to HCC v24 – 899 (63%)
 - **Mapped to v24 – 533 (37%)**

The risk is in gap changes between v24 & v28

RxHCC #	RxHCC Desc	Dx Count
22	Prostate, Breast, Bladder, and Other Cancers and Tumors	22
42	Acromegaly and Other Endocrine and Metabolic Disorders	4
133	Anxiety and Other Psychiatric Disorders	4
228	Sever Persistent Asthma	3
314	Pemphigus, Pemphigoid, and Other Bullous Skin Disorders	13
	Total Count	46

RxHCC #	RxHCC Desc	Dx Count
30	Diabetes with Complications	85
31	Diabetes without Complication	1
41	Lysosomal Storage Disorders	25
42	Acromegaly and Other Endocrine and Metabolic Disorders	3
43	Pituitary, Adrenal Gland, and Other Endocrine and Metabolic Disorders	172
80	Aseptic Necrosis of Bone	44
82	Systemic Sclerosis	1
84	Systemic Lupus Erythematosus and Other Systemic Connective Tissue Disorders	18
96	Acquired Hemolytic, Aplastic, and Sideroblastic Anemias	6
99	Immune Disorders	26
112	Dementia, Except Alzheimer's Disease	8
131	Bipolar Disorders	6
132	Depression	12
133	Anxiety and Other Psychiatric Disorders	1
158	Inflammatory and Toxic Neuropathy	40
161	Parkinson Disease	3
186	Heart Failure	1
188	Coronary Artery Disease	38
193	Atrial Arrhythmias	4
215	Venous Thromboembolism	3
227	Pulmonary Fibrosis, Except Idiopathic	8
261	Dialysis Status, Including End Stage Renal Disease	26
311	Chronic Ulcer of Skin, Except Pressure	2
20	Total Count	533

RxHCC RISKS & RECOMMENDATIONS

2025 Changes Shouldn't Cause Overarching Impact To Overall Risk Adjustment Program

- Adjustments Will be Targeted at Changes From v24 to v28 and 2025 Changes

Recommendations

- Establish Analytics to Identify Beneficiaries with Gap Dx Codes (slide 20)
- Verify Current Part C RA Program Covers Top 10-ish RxHCC Conditions
- Given That CMS is Weighting Factor Adjustments to Favor Low-Income Beneficiaries, Establish Analytics to Focus on Beneficiaries to Address Gaps
- Use Rx Data to Identify Beneficiaries For Prospective & Retrospective Programs

POLLING QUESTION #2

What Dx Code Categories Were Recently Added to OIG High Risk Dx Code Audit Reports (2nd half of 2024)?

Select all that apply:

- COPD
- Diabetes
- Pressure Ulcers
- Sepsis
- End-Stage Renal Disease (ESRD)

OIG AUDIT CHANGES

- Six OIG Dx Code Audit Reports Published in 2024; Three in September
- OIG Added Sepsis & Pressure Ulcers to High-Risk Conditions
 - Sepsis: On 2 Reports, 56.7% substantiation rate
 - Pressure Ulcers: On 1 report, 69% substantiation rate
- Heightened Scrutiny on In-Home Assessments
 - Dx Codes From In-home Assessments or Unlinked Chart Reviews Associated With In-Home Assessments
 - Dx Codes With Single Occurrence on Health Risk Assessment

[Medicare Advantage: Questionable Use of Health Risk Assessments Continues To Drive Up Payments to Plans by Billions | Office of Inspector General | Government Oversight | U.S. Department of Health and Human Services](#)

QUESTIONS

Please send questions via webinar control box or contact us directly

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