

DEPARTMENT OF HEALTH & HUMAN
SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: May 11, 2023

TO: Selected Fully Integrated Dual Eligible (FIDE) Special Needs Plans (SNPs)

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group

SUBJECT: 2023 Frailty Scores and 2022 Health Outcomes Survey (HOS) or Health Outcomes Survey Modified (HOS-M) Activities of Daily Living (ADLs) Results

CMS applies a frailty adjustment to payments made to qualifying Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs) based on the average frailty of their plan enrollees when the FIDE SNP meets specific criteria for the year, including having a frailty score that meets a specified level of frailty compared to the Program of All-Inclusive Care for the Elderly (PACE).^{1,2} In February 2022, CMS invited Medicare Advantage (MA) organizations that expected to sponsor a FIDE SNP in Payment Year (PY) 2023 to participate in the 2022 Medicare Health Outcomes Survey (HOS) or Health Outcomes Survey – Modified (HOS-M) (see HPMS memo entitled “Participation in 2022 HOS/HOS-M for MA Organizations Planning to Sponsor FIDE SNPs in 2023 – Response Needed by Friday, February 25, 2022”). MA organizations that expected to sponsor a FIDE SNP in 2023 and wanted to be considered for a frailty payment were required to make their selection to participate in either the HOS or HOS-M by February 25, 2022.

The purpose of this memo is to inform MA organizations that requested to participate in the 2022 HOS or HOS-M at the plan benefit package (PBP) level that the frailty scores have been posted to the risk adjustment module in HPMS under “Survey Results for Frailty Adjustment.” For plans that qualify to receive a frailty adjustment, CMS adds each plan’s frailty score to the risk score of non-ESRD, community residing enrollees aged 55 and over when calculating payment. In certain cases where a PBP requested to field the HOS-M, depending on the availability of enrollees to be surveyed, a PBP will have both HOS and HOS-M results. In these cases, CMS calculates frailty using the data from both surveys, and the frailty score used for frailty payment is the higher of the two scores.

The criteria for PBPs to receive a frailty adjustment in PY 2023 are listed below. PBPs must:

- Meet the contract requirements to be a FIDE SNP.³
- Be operational by January 1, 2022 and be part of a contract that was operational in January 2021.

¹ See Section L of the [2012 Rate Announcement](#)

² See section 1853(a)(1)(B)(iv) of the Social Security Act

³ See definition at 42 CFR §422.2

- Have greater than or equal to 30 respondents to the HOS or HOS-M.
- Have greater than or equal to the minimum of the range of PACE frailty (0.129 for PY 2023).

FIDE SNPs that do not meet these requirements will not receive a payment adjustment for frailty in PY 2023.

CMS identified the minimum value of the range of 2023 PACE frailty scores and compared that to 2023 FIDE SNP frailty scores. The PACE range of frailty was based on PACE organizations with at least 100 respondents. For an equitable comparison, we calculated both the PACE range of frailty scores (i.e., to identify the PACE minimum value) and the FIDE SNP frailty scores using the FIDE SNP frailty factors. For PY 2023, the PACE minimum is 0.129. For more information regarding how your frailty score was calculated, as well as the HOS ADL or HOS-M ADL results for your plan, please refer to the technical notes and information posted on HPMS in the risk adjustment module under “Survey Results for Frailty Adjustment.”

For qualifying FIDE SNPs, the PBP’s frailty score will be added to the applicable beneficiaries’ risk scores. A flag on the Monthly Membership Report (MMR) will indicate that the frailty score has been applied. Due to permanent changes in the timing of the HOS/HOS-M administration (see the HPMS memo, “Medicare Advantage/Prescription Drug System (MARx) January Payment – INFORMATION” released on December 23, 2021), we anticipate the frailty adjustment will be applied in July 2023 payment. Retroactive payment adjustments back to January 2023 will appear on the MMR using Adjustment Reason Code (ARC) 18 – Part C Rate Change.

If you meet all the requirements to receive 2023 frailty and frailty is not applied in the July payment, please contact the Medicare Advantage Prescription Drug (MAPD) Help Desk via phone at 1-800-927-8069 or mapdhelp@cms.hhs.gov. The hours of operation are Monday-Friday 8 a.m. to 6 p.m. ET.

If you have any further questions, please email RiskAdjustmentPolicy@cms.hhs.gov and specify “2023 Frailty Score” in the subject line and include your contract number and plan ID.