DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR MEDICARE

DATE: May 21, 2024

TO: All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations, and Demonstrations

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

SUBJECT: Follow Up to May 1, 2024 "Use of Encounter Data in Overpayment Reruns" User Group for All Organizations Who Submit Risk Adjustment Data

CMS is providing this set of Q&As to document responses to questions we received during the "Use of Encounter Data in Overpayment Reruns" User Group on Wednesday, May 1, 2024.

Additionally, all scenarios discussed during the User Group have now been posted to the CSSC Operations website, along with the slide deck from the User Group. The details discussed regarding the scenarios reviewed during the User Group call can be found in the "Description" column of each scenario.

If there are additional questions after reviewing the Q&As below and the scenarios posted to the CSSC Operations website, please email riskadjustmentpolicy@cms.hhs.gov and specify "HPMS memo – Follow Up to May 1, 2024 'Use of Encounter Data in Overpayment Reruns' User Group" in the subject line.

General Overpayment Questions

Question: Does the information provided on the May 1, 2024 "Use of Encounter Data in Overpayment Reruns" User Group apply only to Medicare Advantage (MA) organizations? Does it also apply to PACE organizations?

Answer: The information provided on the May 1, 2024 "Use of Encounter Data in Overpayment Reruns" User Group applies to all organizations that submit risk adjustment data.

Question: Are MA organizations able to submit data corrections to Risk Adjustment Processing System and/or Encounter Data Processing System beyond the 6-year look back period?

Answer: MA organizations are able and required to submit data corrections to both RAPS and EDPS beyond the lookback period. EDPS will accept and process records where the "through date of service" is on or after 1/1/2012. RAPS will accept and process records with dates of

services within a 10-year timeframe; for example, during 2024, RAPS will accept and process records where the "through date of service" is on or after 1/1/2015. MA organizations will receive an EDPS reject code of 00012 or a RAPS error code of 403 if the through date for the record falls outside of the acceptance criteria. Please reference the Edit Look Up Tool on the CSSC Operations website (csscoperations.com) for information on all other error codes.

As noted in the April 30, 2024 HPMS memo "Rerun of Payment Year (PY) 2016 – Second Deadline Extension," once an MA organization has identified that incorrect diagnosis data were submitted, the MA organization is responsible for reporting the overpayment in the Risk Adjustment Overpayment Reporting (RAOR) module in HPMS, and, if the contract is active or has not gone through final settlement, deleting the incorrect diagnosis data through the established submission process (i.e., RAPS and/or EDPS). (42 CFR 422.310(d)(2)).

When a contract is no longer active and has been through final settlement, the organization should submit to the RAOR module in HPMS the reason for the overpayment, the reason the data is not available to submit (in this case, because the contract has gone through final settlement), and an auditable estimate of the overpayment amount (including how the estimate was derived). Plan identified overpayments must be reported and returned no later than 60 days after identification (Section 1128J(d) of the Social Security Act).

The obligation to delete incorrect diagnosis data applies regardless of whether the MA organization identifies the incorrect diagnosis data prior to the risk adjustment deadline or after.

Question: Is it possible to delete an original file that was submitted prior to the final risk adjustment submission deadline and submit a corrected file after the deadline and have the corrected file be considered for payment?

Answer: Per 42 CFR 422.310(g)(2), "after the final risk adjustment data submission deadline, which is a date announced by CMS that is no earlier than January 31 of the year following the payment year, an MA organization can submit data to correct overpayments but cannot submit diagnoses for additional payment." Successful submission means that your file was sent, received, all errors and rejections corrected, and accepted by the system prior to the final risk adjustment data submission deadline.

We strongly encourage organizations to submit their data throughout the data collection period and well in advance of the risk adjustment data submission deadlines to ensure ample time to resolve any data submission issues, such as validation errors, data rejections, or inaccuracies in submitted files by the relevant deadline (initial, mid-year, or final). We expect plans to take particular care before the final deadline, since per 422.310(g)(2), CMS does not include diagnoses submitted after this deadline for payment, and will only process deletes submitted after this deadline, in later risk score runs.

Question: When an organization identifies an overpayment after the final risk adjustment data submission deadline, when should it notify CMS via the RAOR module in HPMS, and when should it just submit a correction to RAPS and/or EDPS? Is notification via RAOR even necessary?

Answer: As stated in Section 1128J(d)(2) of the Social Security Act and our regulations at 42 CFR 422.326(d), MA organizations must report and return any overpayment it received no later than 60 days after it was identified.

As noted in the April 30, 2024 HPMS memo "Rerun of Payment Year (PY) 2016 - Second Deadline Extension," once an MA organization has identified that incorrect diagnosis data were submitted, the MA organization is responsible for reporting the overpayment in the RAOR module in HPMS, and, if the contract is active or has not gone through final settlement, deleting the incorrect diagnosis data through the established submission process (i.e., RAPS and/or EDPS). (42 CFR 422.310(d)(2)).

In rare circumstances, an organization that identifies incorrect data after the final risk adjustment data submission deadline announced by CMS may not have the data available to submit to RAPS and/or EDPS. In those circumstances, the organization should submit to the RAOR module in HPMS the reason for the overpayment, the reason the data is not available to submit, and an auditable estimate of the overpayment amount (including how the estimate was derived). Submission of an auditable estimate to the RAOR module should also be used when the data is outside the lookback period, or the contract is no longer active (consolidated, terminated, or withdrawn).

As a reminder, the obligation to submit an overpayment report to the RAOR module applies to all MA organizations, and other organizations that submit risk adjustment data, regardless of contract status or the ability to submit data to RAPS and/or EDPS. Plans can access the RAOR module by following this path: HPMS Home Page > Risk Adjustment > Risk Adjustment Overpayment Reporting.

Question: Which of the scenarios reviewed during the User Group and posted to the CSSC Operations website would warrant an overpayment report in the RAOR module?

Answer: Any of the scenarios presented could result in an overpayment depending on what remains in the beneficiary profile. The MA organization must determine if an overpayment exists and, if so, report the overpayment to the RAOR module.

As noted in the March 15, 2024 HPMS memo "Support for Use of Encounter Data in Overpayment Reruns," a lower risk score and, therefore, an overpayment recovery, occurs when a deleted diagnosis code is the only instance of a diagnosis triggering a Hierarchical Condition Category (HCC) in a beneficiary's diagnosis profile, or if the deleted diagnosis code maps to a higher HCC than an existing eligible diagnosis code in the beneficiary's diagnosis profile.

Question: Should we report overpayments that have been identified through a RADV or OIG RADV audit to the RAOR module?

Answer: The RAOR module is not the appropriate place for MA organizations to communicate with CMS regarding RADV audit findings. As indicated at §422.326(d), an MA organization must report and return any overpayment it received, unless otherwise directed by CMS for purposes of a RADV audit pursuant to §422.311. This includes all RADV audits conducted by

the Secretary, including CMS and the Office of the Inspector General. MA organizations should create a new report in the RAOR module for any plan-identified overpayment for beneficiaries other than those included in a RADV audit sample for any payment year prior to 2018, or if a plan has identified an overpayment based on an OIG recommendation for a plan-initiated audit.

The CMS Center for Program Integrity will send separate communications to audited MA organizations in the future related to RADV audit findings.

Question: What is the penalty if a plan does not report and return an overpayment?

Answer: Please refer to Section 1128J(d) of the Social Security Act.

RAOR Module

Question: How can we access the RAOR module?

Answer: The Risk Adjustment Overpayment Reporting module can be found on the HPMS website.

Plans can access the RAOR module by following this path: HPMS Home Page > Risk Adjustment > Risk Adjustment Overpayment Reporting

On the Risk Adjustment Overpayment Reporting Start Page you will find a brief description of the RAOR module as well as contact information in case you require additional support.

You will also find a navigation menu on the left, which is your gateway to several critical features of the RAOR module, such as reporting, editing, and viewing an overpayment ID; accessing overpayment data reports; and reviewing important documentation, such as the RAOR Quick Reference Guide.

A Computer Based Training that demonstrates how to use the RAOR module can be accessed using the following path:

> www.csscoperations.com > Instructional Videos > Other Topics > Risk Adjustment Overpayment Reporting CBT

Question: Our organization has reported overpayments to the RAOR module and see that those overpayments are in an “open” status. How does my overpayment report move to a “closed” status?

Answer: Overpayment reports in HPMS will only show a "closed" status if the plan submitted an auditable estimate and CMS has recovered it.

Question: Should we submit multiple overpayment reports to the RAOR module for the same payment year?

Answer: No. Overpayment reports may be created for each contract for an entire data-collection period (January 1- December 31). If additional overpayments are identified for the same data-collection period, the overpayment report may be edited to include the explanation for each additional overpayment identified.

Data Submission and Reporting

Question: Where can we find a list of the disallowed codes that are used in the MAO-002 and MAO-004 reports?

Answer: The list of reason codes used in the MAO-002 report can be found on page 2 of the MAO-002 Encounter Data Processing Status Report in the Prelim (Preliminary) Rsn (Reason) Code field.

The Allowed/Disallowed Reason codes used in the MAO-004 report can be found on page 61 of the MAO-004 User Guide.

These references can be found in the Job Aids section on the CSSC Operations website.

Question: Which type of bill is not allowed for data submission?

Answer: All items and services are required to be submitted in encounter data; however, the risk adjustment eligible type of bills are listed in the December 22, 2015 HPMS memo, "Final Encounter Data Diagnosis Filtering Logic," available on the HPMS website. The memo lists risk adjustment eligible inpatient and outpatient type of bills.