

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



## **Medicare Plan Payment Group**

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**DATE:** July 19, 2011

**TO:** All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

**FROM:** Cheri Rice /s/  
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**SUBJECT: Advance Announcement of the November 2011 Software Release**

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the enrollment and payment systems that support Medicare Advantage and Prescription Drug (MAPD) programs. This letter provides information regarding the planned release of systems changes scheduled for November 2011. This release focuses on payment processing changes for 2012. The changes for this release are listed below and may require Plan action. CMS intends to provide detailed information on these changes in early August.

### **Risk Adjustment Processing System (RAPS) Compliant Layout**

The November 2011 Release supports the January 2012 implementation of a new RAPS layout. Beginning January 2012, the RAPS file format changes to become ICD-10 Compliant. All risk adjustment data submitters must validate their ability to submit files in the new format. Palmetto GBA will accept submitted validation files beginning Wednesday, July 6, 2011. All Plans must submit an acceptable file no later than Tuesday, November 15, 2011.

### **New Program of All Inclusive Care for the Elderly (PACE) and End Stage Renal Disease (ESRD) Risk Adjustment Models for Payment Year 2012**

New PACE and ESRD risk adjustment models will determine 2012 payments. Both risk adjustment models were announced on April 4, 2011 in the 2012 Rate Announcement. This release commences the application of the new PACE and ESRD risk adjustment models used for risk adjustment and Plan payments during payment year 2012.

## **New 2012 Monthly Model Output Report (MOR) for Part C**

The current monthly MOR for Part C will be modified to support the new Part C risk adjustment models applied to beneficiaries enrolled in a Program of All Inclusive Care for the Elderly (PACE) organization and beneficiaries diagnosed with End Stage Renal Disease (ESRD). The new Part C MOR file will contain two detailed record types to represent each Part C Risk Adjustment Model; CMS-HCC (Version 12) and PACE and ESRD (Version 21). The length of the current MOR file will increase to accommodate the new record types.

The update to the MOR includes a Risk Adjustment System (RAS) ESRD indicator switch on the PACE and ESRD (Version 21) record type. This switch identifies the beneficiary's status as of the model run and also if the beneficiary was processed by the ESRD risk adjustment model.

## **New Field Indicator to Show Home and Community-Based Services (HCBS) on the MARx Transaction Reply Report (TRR) Derived From State File Input Data**

Effective January 1, 2012, the Affordable Care Act (ACA), section 3309, mandates the elimination of Part D cost-sharing for the full-benefit dual-eligible individuals who are receiving HCBS.

This change creates a new value in the Institutional Indicator field (field 13) of the TRR. The new value, 3 = HCBS, identifies full-benefit dual-eligible individuals whose copay level is set to 3 (\$0 Part D cost sharing) because the individuals receive HCBS as described in section 3309 of the Affordable Care Act (ACA). The new value takes effect on January 1, 2012.

## **Fully Integrated Dual Eligible Special Needs Plans (SNPs) Payment Calculation Change**

The November 2011 Release allows frailty payment changes to qualified Fully Integrated Dual Eligible (FIDE) SNPs at the Plan Benefit Package (PBP) level. With this change, qualifying PBPs within an existing contract would receive an increase to enrollees' risk scores for the PBP's enrollees aged 55 and older who are non-institutionalized. This increase in risk scores is applicable to each of the payment runs in 2012.

CMS appreciates your continued support of the MAPD programs.

Plans are encouraged to contact the MAPD Help Desk for any issues encountered during the systems update process. Please direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069 or email at [mapdhelp@cms.hhs.gov](mailto:mapdhelp@cms.hhs.gov).