
Date: January 15, 2021

RE: Reissuing 2017 HHS Risk Adjustment Data Validation (HHS-RADV) Results

The Centers for Medicare and Medicaid Services (CMS) is reissuing certain 2017 benefit year Department of Health and Human Services Risk Adjustment Data Validation (HHS-RADV) results.¹ The purpose of reissuing these results is to account for a minor hierarchical condition category (HCC) misassignment² that occurred in the calculation of a few issuers' 2017 benefit year HHS-RADV results. Reissuing these results will change non-exiting issuers' 2017 benefit year HHS-RADV adjustments to 2018 benefit year risk adjustment risk scores and transfers, as well as exiting issuers' 2017 benefit year HHS-RADV adjustments to 2017 benefit year risk adjustment risk scores and transfers.

Since the revised results only impact a few issuers' HCCs, the misassignment did not impact any issuers' 2017 benefit year pairwise means test findings, and did not impact which issuers were determined to be outliers. Furthermore, since only a few enrollees were impacted, the 2017 benefit year HHS-RADV Error Rate Results Memo findings did not significantly change as seen below.³

¹ Issuers impacted by this misassignment will receive revised IVA Findings Reports and Issuer IVA Findings Summary Reports for Package 2. These reports will be made available in HHS-RADV Audit Tool for those issuers. All issuers that participated in 2017 benefit year HHS-RADV will receive updated error rate results and all issuers who participated in 2017 and 2018 benefit year risk adjustment will receive updated risk adjustment state payment transfer reports.

² The age restriction for certain infant diagnosis codes were not appropriately applied and certain non-infant enrollees were misassigned to infant only HCCs. The 15 instances of these misassignments were within HCC 244, HCC 245, HCC 246, HCC 247, HCC 248, and HCC 249. 15 unique assignments within these HCCs were impacted by this misassignment.

³ 2017 Benefit Year HHS Risk Adjustment Data Validation Results. May 31, 2019.

<https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/2017-Benefit-Year-HHS-Risk-Adjustment-Data-Validation-Results.pdf>.

Revised National Failure Rate Statistics for 2017 Benefit Year HHS-RADV			
2017 HHS-RADV Results	Low	Medium	High
Original Mean	0.04756	0.15489	0.26210
Revised Mean	0.04760	0.15495	0.26223
Difference	0.00004	0.00006	0.00013
Original Standard Deviation	0.09727	0.09918	0.10638
Revised Standard Deviation	0.09731	0.09919	0.10640
Difference	0.00004	0.00001	0.00002
Original Lower Threshold	-0.14309	-0.03951	0.05360
Revised Lower Threshold	-0.14312	-0.03946	0.05368
Difference	-0.00003	0.00005	0.00008
Original Upper Threshold	0.23821	0.34928	0.47060
Revised Upper Threshold	0.23831	0.34936	0.47078
Difference	0.00010	0.00008	0.00018

However, because this impacted the national metrics and the associated calculation of the group adjustment factor for all outlier issuers' error rates, this issue also slightly impacted all non-zero error rate issuers' error rate calculations. All issuers that participated in 2017 benefit year HHS-RADV will therefore receive revised issuer and enrollee metric reports that reflect the revised national metrics.⁴ All issuers that received non-zero error rates in the 2017 benefit year HHS-RADV results will also receive updated error rate results in their revised issuer and enrollee metric reports.⁵

This also means that the findings in the Summary Report of 2017 Benefit Year HHS-RADV Adjustments to Risk Adjustment Transfers were slightly impacted.⁶ We are releasing a revised Summary Report of 2017 Benefit Year HHS-RADV Adjustments to Risk Adjustment Transfers with this memo on CCIIO's website.⁷ Issuers with a non-zero error rate non-exiting issuer in their state market risk pool will see changes to the 2017 benefit year HHS-RADV adjustments to their 2018 benefit year risk adjustment transfers. Issuers with a non-zero error rate exiting issuer in their state market risk pool will see changes to the 2017 benefit year HHS-RADV adjustments to their 2017 benefit year risk adjustment transfers. All issuers who participated in the HHS-operated risk adjustment program during these benefit years will receive updated risk adjustment state payment transfer reports.⁸

⁴ These reports will be made available for these issuers in the HHS-RADV Audit Tool.

⁵ These results will be communicated to these issuers in HHS-RADV Audit Tool.

⁶ <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/BY2017-HHSRADV-Adjustments-to-RA-Transfers-Summary-Report.pdf>.

⁷ <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs>.

⁸ These reports will be made available in the External Data Gathering Environment (EDGE) server management console.

Once the revised error rate results are released, we will follow the discrepancy reporting and appeals processes established in 45 C.F.R. § 153.630(d)(2) and (3) to provide issuers that participated in 2017 benefit year HHS-RADV with the opportunity to dispute their revised 2017 benefit year HHS-RADV risk score error rate calculation. As such, issuers who participated in 2017 benefit year HHS-RADV must attest to the revised error rate calculation results or qualify the attestation by filing a discrepancy. Beginning on January 19, 2021, issuers have thirty (30) calendar days to attest to the updated risk score error rates or qualify that attestation by filing a discrepancy. To do so, these issuers must complete the Updated 2017 HHS-RADV Error Rate Attestation and Discrepancy Form in the HHS-RADV Audit Tool. A separate communication will be distributed with instructions for accessing the updated results and completing the Updated 2017 HHS-RADV Error Rate Attestation and Discrepancy Form.

This issue did not occur in the 2018 benefit year HHS-RADV results and therefore, the 2018 benefit year HHS-RADV results are not impacted.

Issuers can contact CMS with any questions at: CCIIOACARADatavalidation@cms.hhs.gov.