



Talking Points:

Center for Public Integrity and Risk Adjustment in Medicare Advantage Payments

Background: In early June, the Center for Public Integrity ran a series of articles which allege significant waste of tax dollars through the manipulation of Medicare risk scores. The articles were very negative toward Medicare Advantage plans; we recommend you read them as background.

Suggested talking points in response follow.

- **ACAP supports a risk adjustment model which provides accurate payment** based on the health and psychosocial needs of the enrolled beneficiaries.
 - **Any system may have bad actors. We strongly support CMS' efforts to root them out.**
- **ACAP shares the concern that the current risk adjustment system may not be accurately determining payments.**
 - We support the GAO's recommendation that CMS improve the accuracy of its MA risk score adjustments by taking steps such as **using the most current data available** and **incorporating adjustments for additional beneficiary characteristics**.
 - **Our concern is that CMS "underpays" for certain conditions such as mental health, advanced stages of illness and multiple, co-morbid conditions. The system may "overpay" for those people with lower health needs.** For very large plans with random enrollment of a normal blend of high-need and lower-than-average need, the system may work. It does not work when plans are smaller and focused on a group of people like dual eligibles, who generally have a substantially higher level of need than the overall Medicare population.
- **CMS DOES adjust for coding intensity, fee-for service normalization and re-runs risk adjustment data to decrease plan payment. The coding intensity factor alone cuts payment by more than 5%. We are concerned that these cuts constitute overcompensation.** Many D-SNPs have a Model of Care which includes in-home risk assessments and in-home care management for high-risk individuals. It follows that more conditions would be found in safety net, not-for-profit plans which feature these assessments and care plans.
- **The articles cast aspersions on in-home assessments. They can be a very useful way to assess care needs, and should not be abandoned.**
 - **When used properly, benefits of in-home assessments include:**
 - Less stress for caregivers and beneficiaries,
 - More efficient use of the health care workforce, and
 - A far better opportunity to assess the beneficiary's baseline functioning, medication use and underlying safety in their home.
 - Such visits may be especially useful to connect with people who have avoided primary care in an office setting. These assessments are also more thorough than a 7 to 15 minute checkup in a physician's office.
- **We support further study of the risk adjustment system. This series from CPI and the preceding GAO reports simply affirm that need.**