

PROVIDER QUICK POINTS

PROVIDER INFORMATION



July 15, 2014

Risk Adjustment and Risk Adjustment Data Validation

Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) have expanded our partnership with Inovalon, Inc. to now include the commercial population within our business, in addition to the Medicare Advantage population. Blue Cross believes this expanded partnership with Inovalon Inc. is necessary to effectively support the risk adjustment and risk adjustment data validation (RADV) audit processes required of health plans under the Affordable Care Act (ACA). Ensuring accurate information is a requirement under the ACA and its regulations, and we want to extend our appreciation in advance for your cooperation in this necessary work. Inovalon will outreach to providers for chart retrieval on an ongoing basis to support the commercial and Medicare Advantage subscribers. This allows us the ability to provide quality reporting and calculate the risk score for subscribers in accordance with the regulations.

The ACA provides the ability for millions of Americans to obtain healthcare coverage regardless of pre-existing conditions. This change now requires that Issuers submit detailed documentation pertaining to each small group and individual commercial subscriber that has purchased health insurance on an ongoing basis. This requirement applies regardless of whether the health coverage was purchased through an insurance exchange or through the traditional market.

Inovalon is ethically and legally bound to protect, preserve and maintain the confidentiality of any Protected Health Information (PHI) it gleans from clinical records provided by medical practice locations pursuant to its contractual obligations to Blue Cross. You may rest assured that Inovalon is authorized to receive PHI and will treat your patients' PHI with the highest level of protection and confidentiality.

Your cooperation in extending Inovalon your professional courtesy and assistance is very much appreciated. If you have questions about this process, please contact provider services at **(651) 662-5200** or **1-800-262-0820**.

Below is a list of general questions and answers

1. What is risk adjustment?

Risk adjustment provides a way to identify the difference in health care risk among specific patients, which results in the ability to compare care and cost performance fairly for the Medicare Advantage and commercial individual and small group market.

2. What is commercial risk adjustment?

As part of the ACA, risk adjustment was developed to negate the need to obtain health history from a subscriber. In waiving the health history all subscribers pay the same premium and will receive a risk score. This risk score evaluates that share of risk a health plan carries. A transfer of funds from lower risk health plans to higher risk health plans will occur within a state. It allows the health plans a balance to ensure that they continue to provide quality health insurance at affordable rates. This applies to individuals from ages 0-64 that purchased insurance through an insurance exchange or through the traditional market. The program is administered by the Department of Health and Human Services (HHS).

3. **What is Medicare risk adjustment?**

The Centers for Medicare & Medicaid Services (CMS) reimburses Medicare Advantage Plans based on the health status of their subscribers. Risk adjustment was implemented to pay Medicare Advantage Plans more accurately for the predicted health cost expenditures of subscribers by adjusting payments based on demographics as well as health status. This population is primarily over the age of 65 with the exception of those that qualify for disability.

4. **Who is Inovalon?**

Inovalon is an independent company that provides data analytics to support quality of care documentation and utilization trends to conduct viable reviews to achieve a meaningful impact.

5. **What do the chart abstractions help with?**

The chart reviews allow Blue Cross to ensure we have appropriate documentation for subscribers necessary to clarify specific medical conditions. This ensures that each subscriber's diagnoses submission to CMS (Medicare) or HHS (Commercial) is documented in accordance with the ICD-9-CM standards and validated by a chart with supporting documentation on a yearly basis.

6. **How can I reduce the need to have Inovalon come retrieve a chart?**

Ensure that documentation is complete, clear, and specific to the subscriber's condition.