

## **CMS's Draft 2018 Call Letter: Minor Updates, but Largely Continuation of Current Policies**

Article By:

Lauren M. Moldawer

---

Earlier this month, the ***Centers for Medicare & Medicaid Services (CMS)*** released its 2018 Medicare Advantage and Part D Advance Notice and Draft Call Letter ("[Draft Call Letter](#)"). For the majority of the letter's provisions, CMS is proposing to continue its current course of action and is refraining from introducing new policies. With that said, however, CMS is proposing several notable updates, including updates to the use of encounter data for risk adjustment and the 2018 Star Ratings. This blog is to highlight some key provisions and changes as MA and Part D plans prepare and finalize comments.

### ***Use of Encounter Data in Risk Adjustment for 2018***

CMS is currently transitioning to an Encounter-Based Risk Score methodology for risk adjustment purposes, which has been met with some resistances from plans and other stakeholders due to concerns over its reliability. For the current contract year, encounter data will account for 25% of the risk score, while data collected through CMS' Risk Adjustment Processing System (RAPS) accounts for the other 75%. In the 2017 Call Letter, CMS stated its intention to increase this ratio to 50% encounter data for contract year 2018. However, in the 2018 Draft Call Letter, CMS is proposing to slow down the transition and to keep this ratio at 25%/75%, rather than increasing it.

### ***Medicare Advantage Employer Group Waiver Plans Bidding Requirements***

CMS is proposing to continue the waiver of the bidding requirements for all MA employer/union-only group waiver plans (EGWPs) for 2018, a policy CMS initially implemented for contract year 2017. However, CMS is soliciting comments on whether it should use the weighted average bid-to-benchmark ratio for individual market plan bids from the prior payment year to calculate base payments for 2018 Medicare Advantage EGWPs or if it should continue to use the bid-to-benchmark ratios applied in calculating the 2017 payment rates.

### ***Repricing of DMEPOS based on Competitive Bidding Pricing***

For 2018, CMS is continuing to "re-pricing Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) claims from 2011 – 2015 to reflect the most current DMEPOS prices associated with the Competitive Bidding Program." Of note, CMS is also determining whether the 21st Century

Cures Act may impact the pricing.

## **2018 Star Rating Updates**

CMS is proposing to add two new 2018 Star Measures and making technical adjustments to several others. The two new measures include:

- *Medication Reconciliation Post Discharge (Part C)*. This measure assesses the percentage of discharges from acute or non-acute inpatient facilities whose medications were reconciled within 30 days of discharge.
- *Improving Bladder Control (Part C)*. This is a Health Outcomes Survey (HOS) measure, which assesses the percentage of beneficiaries with urine leakage who discussed their problem with their provider and received treatment for the issue.

Of note, CMS is also proposing changes to the Beneficiary Access and Performance Problems (BAPP) measure, which is based on sanctions, civil monetary penalties (CMPs), and compliance actions. CMS calculates this measure by using a 100-point system, where every contract begins with a BAPP score of 100, but this number is then reduced based on its sanction status, compliance score, and each CMP related to beneficiary access. For 2018, CMS is proposing certain changes to this measure. First, it is proposing to update the timeframe to July of the measurement year to June of the following year. Also of note, CMS is proposing to change how the score is reduced based on CMPs. Currently, the score is reduced 40 points per CMP. CMS proposes to a sliding scale ranging from a reduction of 10 to 40 points based on “a ratio of the unadjusted CMP amount to total enrollment of the cited contracts at the time of the enforcement action.”

Further, for 2019 and beyond, CMS indicated that it would consider removing measures that “topped out,” or have little variation across plans.

Interested stakeholders have until March 3, 2017 to submit comments in preparation for the final Call Letter to be released April 3, 2017.

©1994-2025 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. All Rights Reserved.

---

National Law Review, Volume VII, Number 46

Source URL: <https://natlawreview.com/article/cms-s-draft-2018-call-letter-minor-updates-largely-continuation-current-policies>