

Risk Adjustment Coding Corner

Neighborhood News – July 2024

RADV Audit

What is it?

- The Department of Health and Human Services' Risk Adjustment Data Validation (HHS-RADV) audit is an annual process for our Commercial (Affordable Care Act) population, running from May to January. Please note that Centers for Medicare and Medicaid Services (CMS) audits for Medicare plans occur randomly, and we have not been selected for one at this time.
- The purpose of HHS-RADV is to validate issuer External Data Gathering Environment (EDGE) data used in risk adjustment calculations, ensuring the integrity and quality of issuer data, and promoting confidence in risk transfer payments.

How does it work?

- CMS, operating risk adjustment on behalf of HHS, selects a sample of 200 enrollees and associated data submitted to the issuer's EDGE server for validation. The validation covers:
 - Demographics & Enrollment (D&E) – 50 enrollee sub-sample
 - Prescription Drug Category (RXC) – 50 RXC sub-sample
 - Health Status (medical records) – 200 enrollees
- Full sample data validation is performed by the Initial Validation Audit (IVA) entity, and a subsample is validated by the Second Validation Audit (SVA) entity.
- IVA/SVA findings help identify outliers and influence the benefit year's Plan Liability Risk Score(s) (PLRS), which may affect the risk transfer amount that the issuer (Neighborhood) either pays or receives.



How does it affect providers?

- The primary impact on providers is related to record retrieval. During audit months, particularly from July to November, providers may notice increased activity in their offices with personnel pulling charts for HHS-RADV.
 - This may not seem different to some since our nurses are often onsite for retrospective record retrieval throughout the year. This allows our coders to conduct medical record reviews and capture missing conditions not already billed on claims.
- Providers may also encounter signature attestation requests when records lack a valid or legible signature.

- All audits, including HHS-RADV, are crucial for compliance and accurately capturing the complete illness burden of members. We sincerely appreciate your cooperation and flexibility. **With your support, we have consistently achieved validation rates within the normal range in all six years of the HHS-RADV audits without being outliers!**

We want to hear from you!

Neighborhood is seeking ideas for future Risk Adjustment content. What would you like to learn more about? Please send any suggestions, feedback, or questions to RiskAdjustment@nhpri.org.