
TAG Meeting with Carriers

State Alternate Risk Adjustment Methodology New Data Elements

January 8, 2013

Agenda

- **Introductions**
- **Overview- Massachusetts Risk Adjustment**
- **Discussion of New Data Elements for RA**
- **Questions**

Massachusetts Risk Adjustment

Why Pursue An Alternate Methodology?

- **Appropriately customize the methodology to fit with unique aspects of the Commonwealth (e.g., merged market, state wrap for eligible individuals)**
- **Calibrate the Risk Adjustment models to the specific experience of the Massachusetts individual and small group market**
- **Leverage existing APCD infrastructure and maximize administrative simplicity**

Massachusetts Risk Adjustment

- **Key Features**

- **Models have similar analytical framework as the HHS HCC models**

- **Reflective of the State's risk adjustment experience and other healthcare reform initiatives in the Commonwealth**

- **Using data from Massachusetts**

- **APCD individual and small group member and claims data**

- » **Calendar Year 2010 for model calibration**

- » **7/2011-6/2012 for model validation**

- **CommCare & Bridge FY2010 and FY2011**

- » **Claims were repriced to be consistent with commercial rates in Massachusetts**

- **Marketscan New England Calendar Year 2010**

- **Partial-year eligibility adjustment to improve predictive accuracy**

- **Based on risk adjustment experience in the CommCare and MassHealth programs**

- **More expansive set of condition categories**

Data Elements for APCD to Support Risk Adjustment

- **As specified in CHIA Administrative Bulletin – November 8, 2012**
 - **ME 072 – Family Size**
 - **ME 119 – Tobacco Use Flag**
 - **ME 120 – Actuarial Value**
 - **ME 121 – Metal Level**
 - **ME 123 – Monthly Premium**
 - **ME 078 – Employer Zip Code**

ME 072 – Family Size

- **Integer**
- **A2 at 100%**

ME 119 – Tobacco Use Flag

- **No longer required based on HHS notice**
- **This will transition to a “Filler” field for potential future use**
- **Do not report any value in the field**

ME 120 - Actuarial Value ("AV")

- **Generated by HHS AV Calculator**
- **Typically from actuarial/underwriting**

ME 121- Metal Level

- **Integer to indicate gold, silver or bronze**
- **Based on AV calculations**

ME 123- Monthly Premium

- **Members expected monthly premium**
- **Reported on all lines of eligibility, regardless of relationship**

ME078- Employer Zip Code

- **Zip Code of the Subscriber's Employer**
- **A2 at 90%**

Out of State Claims

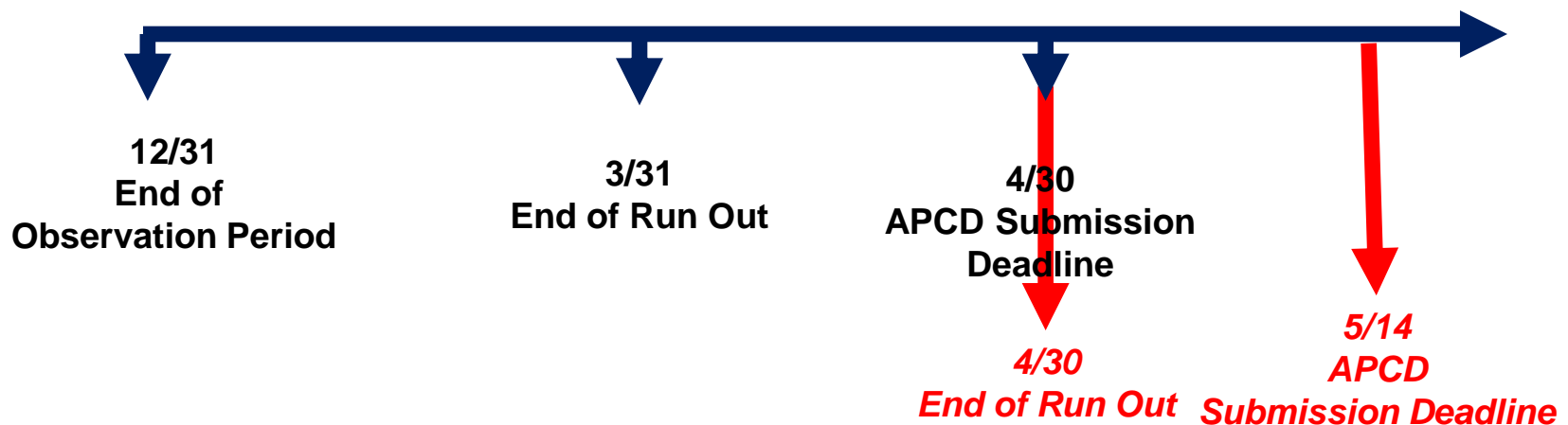
- **Member eligibility and claims for out of state residents**

Carve Outs

- **Would like to survey plans about what services are carved out.**
 - **Input on preferred method of contact
Online survey versus phone call?**

Timing

- HHS providing 4-month run out
- MA presently contemplating 3-month run out.
- If MA moved to a 4-month run out, could carriers provide data during first week of Month 5?



Questions?

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