

DEPARTMENT OF HEALTH & HUMAN  
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Centers for Medicare & Medicaid Services  
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**CENTER FOR MEDICARE**

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**DATE:** February 7, 2024

**TO:** All Medicare Advantage Organizations and Demonstrations

**FROM:** Jennifer R. Shapiro, Director, Medicare Plan Payment Group  
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**SUBJECT:** Participation in 2024 HOS/HOS-M for MA Organizations Planning to Sponsor FIDE SNPs in 2025 – Response Needed by Wednesday, February 28, 2024

In 2012, CMS began adjusting payments of fully integrated dual eligible special needs plans (FIDE SNPs)<sup>1</sup> based on the average frailty of their plan enrollees. Section 3205(b) of the Affordable Care Act (ACA) allows CMS to pay a frailty adjustment to a Dual Eligible SNP<sup>2</sup> that is both “fully integrated with capitated contracts with States for Medicaid benefits, including long-term care” **and** has a “similar average level of frailty...as the PACE program.”

In order for CMS to determine whether a FIDE SNP has a similar average level of frailty as the PACE program, CMS must be able to calculate a frailty score for each FIDE SNP.<sup>3</sup> In the 2012 Rate Announcement, CMS specified that we would determine which FIDE SNPs have a similar average level of frailty as the PACE program by using the lowest frailty score from the range of applicable PACE organization frailty scores.<sup>4</sup> Frailty scores are calculated using the limitation on activities of daily living (ADL) reported by a plan’s enrollees, based on the Medicare Health Outcomes Survey (HOS) from the year prior to the payment year (PY). Additional information on the methodology used for frailty adjustment for 2025 can be found in the 2025 Advance Notice.<sup>5</sup>

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<sup>1</sup> See definition at 42 CFR §422.2

<sup>2</sup> See definition at 42 CFR §422.2

<sup>3</sup> 2012 Advance Notice: [Advance Notice of Methodological Changes for Calendar Year \(CY\) 2012 for Medicare Advantage \(MA\) Capitation Rates, Part C and Part D Payment Policies and 2012 Call Letter](#)

<sup>4</sup> 2012 Rate Announcement: [Announcement of Calendar Year \(CY\) 2012 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter](#)

<sup>5</sup> 2025 Advance Notice: [Advance Notice of Methodological Changes for Calendar Year \(CY\) 2025 for Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies](#)

For PY 2025, CMS will use the 2024 HOS or Health Outcomes Survey-Modified (HOS-M) to determine frailty scores for FIDE SNPs. MA organizations that believe they will be sponsoring a FIDE SNP in 2025 and want to be considered for a frailty payment must participate in either the 2024 HOS or HOS-M to allow CMS to calculate their frailty score.

### **Automated Process for Requesting the HOS/HOS-M for FIDE SNPs**

If an MA organization believes they will sponsor a FIDE SNP in 2025 and wishes to participate in the 2024 HOS or HOS-M to support the calculation of a frailty score for 2025 payment, they must make their survey selection through the automated process online via the Health Plan Management System (HPMS) website. Instructions are provided on page 5 of this memo. All selections must be submitted in HPMS **no later than 11:59 PM Eastern Time (ET) on Wednesday, February 28, 2024. Late submissions will not be accepted.**

Please note that this process only applies to MA organizations that want to sponsor a FIDE SNP for frailty measurement. PACE organizations with a Medicare contract in effect on or before January 1, 2023 and a minimum enrollment of 30 are automatically enrolled in the 2024 HOS-M, and CMS calculates frailty scores for frailty adjusted payments for all PACE organizations.

### **Requirements for Participation in the 2024 HOS or HOS-M for Purposes of Measuring Frailty**

The requirements for participating in the HOS or HOS-M for frailty measurement are as follows:

- The contract must exist as of January 1, 2023.
- The PBP that will be the FIDE SNP in 2025 must exist as of January 1, 2024.
- The PBP to be surveyed in 2024 does not have to meet FIDE SNP requirements in order to be surveyed, but it must be a Dual Eligible SNP in 2024.
- The PBP to be surveyed must have at least 50 enrollees. CMS will sample up to 1,200 enrollees in each PBP, if available, but having at least 50 enrollees better ensures the minimum of 30 respondents needed to calculate a frailty score.

MA organizations that cross walked their D-SNP membership into a new contract in 2024 in order to meet state requirements responsive to 42 CFR § 422.107(e) may elect to participate in the 2024 HOS or HOS-M to support the calculation of a frailty score for 2025 payment, if they anticipate sponsoring a FIDE-SNP in 2025. If the HOS is administered and enough data are available for the contract, your HOS survey results may also be used for 2026 and future Star Ratings. Because these new contracts will not be in the HPMS module for selection for participating in the HOS or HOS-M survey, there are specific instructions on page 6 below *for these contracts only*.

## Eligibility for HOS or HOS-M Participation

In addition to the criteria listed above, MA organizations may use the table below as a guide to determine their eligibility to use the HOS or HOS-M for frailty measurement.

Contract Size	Eligibility for HOS or HOS-M
The contract has less than 500 enrollees	The contract is not required to participate in HOS for quality reporting purposes. The plan sponsor may select either HOS or HOS-M to measure frailty for their FIDE SNP(s).
The contract has 500 or more enrollees and all of the enrollees are needed for HOS quality reporting	The contract is required to participate in HOS for quality reporting purposes. The plan sponsor must use HOS to measure frailty for their FIDE SNP(s). They cannot participate in HOS-M.
The contract has 1,250 or more enrollees and, after sampling for HOS quality reporting is completed, 50 or more enrollees in the FIDE SNP(s) remain available to be sampled	The plan sponsor may select either HOS or HOS-M to measure frailty for their FIDE SNP(s).

For contracts with less than 500 enrollees, the HOS is not required for quality reporting and contracts may select either the HOS or HOS-M to measure frailty for their FIDE SNP(s). For contracts with at least 500 enrollees, the HOS will be fielded at the contract level to meet MA quality reporting requirements. The MA organization must still submit a request through HPMS for CMS to use the survey results to calculate a frailty score for the FIDE SNP for 2025. For FIDE SNPs that are part of larger MA contracts, supplemental sampling of the FIDE SNP population at the PBP level will be conducted as a secondary step once sampling for the contract-level quality reporting requirement is complete.

Only those MA organizations that submit a request through HPMS to participate in the 2024 HOS or HOS-M for their FIDE SNP at the PBP level (notwithstanding the one exception, specified below), and meet specified enrollment levels, are eligible for supplemental sampling for frailty measurement. Please note that CMS will perform enrollment verifications outside of HPMS. CMS will notify plan sponsors that request to sign up for the HOS or HOS-M if their FIDE SNP lacks sufficient enrollment.

## HOS/HOS-M Administration

All HOS and HOS-M survey administration costs, including any additional costs attributed to additional contract-level sampling and FIDE SNP PBP-level sampling, are the responsibility of the MA organization through its HOS or HOS-M survey vendor contract.

Plan sponsors may contract with any CMS-approved HOS survey vendor to survey their FIDE SNP for purposes of measuring frailty using HOS. Similarly, sponsors participating in the HOS-M may contract with any CMS-approved HOS-M survey vendor to survey their FIDE SNP for purposes of measuring frailty using the HOS-M. The lists of CMS-approved HOS and HOS-M survey vendors for 2024 will be posted on [www.hosonline.org](http://www.hosonline.org).

## Clarifications to HOS/HOS-M Administration Protocol

Due to the manner in which CMS uses HOS data for Star Ratings and frailty payment, three additional points should be noted about the HOS and HOS-M protocols:

1. No plan staff should independently contact a survey vendor to provide answers to a survey on behalf of any beneficiary. Proxy response is under the control of the beneficiary. Plan staff may complete a survey questionnaire or telephone interview only at the request of the beneficiary, a family member, or other caregiver. If CMS finds that a plan does not follow these protocols, the HOS or HOS-M data will be deemed invalid.
2. CMS continues to collect enhanced enrollee and proxy contact information for PACE organizations to ensure higher response rates. While CMS does not have the capacity to collect enhanced contact information<sup>6</sup> for FIDE SNPs or other MA organizations, MA organizations are free to provide additional enrollee contact information for their entire FIDE SNP directly to their survey vendor, whether they are using the HOS or HOS-M survey instrument. Providing such information may help achieve higher response rates.
3. MA organizations that choose to participate in the HOS-M for purposes of measuring frailty will not receive a HOS-M report or the corresponding beneficiary-level data that are disseminated to participating PACE organizations.

## Frailty Payment

The 2025 frailty payment will be made to those FIDE SNPs that (1) meet the requirements to be a FIDE SNP, (2) yield at least **30** responses to the HOS or HOS-M, and (3) have a frailty score that meets the PACE level of frailty. Any changes to the methodology used to determine frailty payments for 2025 can be found in the 2025 Advance Notice.<sup>7</sup>

The frailty model captures costs associated with functional impairments in the frail elderly using limitations on ADLs to measure a dimension of health status not captured by diagnoses. The specific ADLs included in the frailty model are:

1. Bathing
2. Dressing
3. Eating
4. Getting in or out of chairs
5. Walking
6. Using the toilet

These limitations on ADLs are captured in both the HOS and HOS-M.

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<sup>6</sup> PACE organizations submit to CMS additional contact information for enrollees and up to two family members or responsible parties (e.g., proxies) which is added to the HOS-M sample file and distributed to the survey vendor. A similar process does not exist for MA organizations. For FIDE SNPs and other MA organizations, CMS supplies survey vendors with no contact information beyond what is available in its systems.

<sup>7</sup> 2025 Advance Notice: [Advance Notice of Methodological Changes for Calendar Year \(CY\) 2025 for Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies](#)

For informational purposes only, below is the distribution of ADL limitations across all PACE organizations based on the 2023 HOS-M data.

0 ADLS		1-2 ADLs		3-4 ADLs		5-6 ADLs	
Medicaid	Non-Medicaid	Medicaid	Non-Medicaid	Medicaid	Non-Medicaid	Medicaid	Non-Medicaid
20.70%	0.07%	28.88%	0.17%	21.90%	0.11%	27.99%	0.20%

### **Instructions to Request HOS/HOS-M Participation for FIDE SNPs**

If an MA organization anticipates sponsoring a FIDE SNP in 2025 and wants to participate in the 2024 HOS or HOS-M at the PBP level for frailty measurement, please use the following information to request HOS or HOS-M participation for each FIDE SNP.

#### To make the survey selection:

1. Log into HPMS.
2. From the top navigation bar under “Risk Adjustment,” select “Risk Adjustment,” then “Survey Information” from the left side dashboard.
3. On the Survey page, under “Select Function,” select “Request HOS/HOS-M Survey Participation.”
4. Then, under “Select Option,” select “Request Survey.”
5. From the dropdown menus, select the Contract Number and Plan ID for the FIDE SNP you want surveyed for frailty measurement.
6. Click the Submit button and a HOS/HOS-M selection window will appear.
7. Select “Yes” for the survey you wish to request and “No” for the survey you do not want to use for frailty measurement. After the selection is complete, click the Submit button and a confirmation message will appear confirming your request has been submitted.
8. Repeat steps for any additional PBPs you wish to request HOS or HOS-M participation.

#### To confirm the survey selection:

1. After making your survey selection, scroll back up on the Survey page and ensure that “Request HOS/HOS-M Survey Participation” is selected under “Select Function.”
2. Under “Select Option,” select “View Report.”
3. Under “Select a Year,” select “2024,” and click the Submit button.
4. In the table that appears, verify there is a “Yes” under the column for the survey requested and a “No” under the column for the survey not requested for each PBP for which a survey is being requested. Please also verify that the Contract Number and Plan ID are correct for all of the FIDE SNPs you want surveyed.

New contracts in 2024 responsive to 42 CFR § 422.107(e):

MA organizations that cross walked their D-SNP membership into a new contract in 2024 in order to meet state requirements responsive to 42 CFR § 422.107(e) that anticipate sponsoring a FIDE-SNP in 2025 and are interested in fielding the HOS or HOS-M in 2024 for these FIDE SNPs must email [RiskAdjustmentPolicy@cms.hhs.gov](mailto:RiskAdjustmentPolicy@cms.hhs.gov) and specify “2024 HOS – H##### Exception” with your contract number in the subject line by 11:59 PM ET on February 28, 2024. Please provide the following in the body of your email: the 2024 contract number and PBP number for each PBP you want surveyed in 2024, the 2023 contract number and PBPs that were cross walked to the 2024 contract and PBP to be surveyed, and whether you want to participate in the HOS or HOS-M. This exception is limited to contracts new in 2024 due to state requirements responsive to 42 CFR § 422.107(e). CMS will verify that these requests meet the exception criteria.

**Communication Regarding HOS/HOS-M Participation**

MA organizations will receive additional information from NCQA about their 2024 HOS and HOS-M participation in March 2024. To allow sufficient time for contracting with a survey vendor, CMS will inform plan sponsors that have requested HOS or HOS-M participation for their FIDE SNPs if their PBP(s) lack sufficient enrollment as soon as possible in or after March 2024. As a reminder, approved 2024 HOS and HOS-M survey vendors are posted on [www.hosonline.org](http://www.hosonline.org).

As stated previously, all selections must be submitted in HPMS **no later than 11:59 PM Eastern Time (ET) on Wednesday, February 28, 2024**. If an MA organization decides they want to remove their FIDE SNP from consideration for 2025 frailty payment after the deadline, they must inform [RiskAdjustmentPolicy@cms.hhs.gov](mailto:RiskAdjustmentPolicy@cms.hhs.gov) **no later than April 19, 2024**.

**Contact Information**

For questions related to FIDE SNP frailty measurement, please email [RiskAdjustmentPolicy@cms.hhs.gov](mailto:RiskAdjustmentPolicy@cms.hhs.gov) and specify “2024 HOS – H#####” with your contract number in the subject line.

For questions related to the HOS or HOS-M administration, please email [HOS@cms.hhs.gov](mailto:HOS@cms.hhs.gov).