

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

DATE: January 29, 2024
TO: All Program of All-Inclusive Care for the Elderly (PACE) Organizations
FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
SUBJECT: PACE Organization Risk Adjustment Submissions to the Encounter Data System

CMS has received inquiries from PACE organizations regarding the submission of risk adjustment data for services provided in the PACE center to the Encounter Data System (EDS). In addition, some PACE organizations have requested to solely submit risk adjustment data to the EDS, and to stop submitting to the Risk Adjustment Processing System (RAPS). This memorandum provides technical instructions to PACE organizations on the submission of risk adjustment data to the EDS for PACE center services for which a claim is not generated. CMS is also providing this instruction to begin transitioning all PACE organizations to submitting risk adjustment data to the EDS rather than RAPS.

CMS collects data in the EDS in two record types, encounter data records (EDRs) and Chart Review Records (CRRs), using Version 5010 of the ASC X12 837 format. EDRs are reports for specific items and services provided to an enrollee; whereas CRRs, similar to RAPS, serve to add or delete risk adjustment diagnoses. CMS has not historically required PACE organizations to submit EDRs for services for which a claim is not generated. On September 12, 2013, CMS released an HPMS memo titled “Encounter Data Submissions” that provided operational guidance regarding the requirement for Medicare Advantage (MA) organizations to submit encounters for each item and service provided to a beneficiary. On November 1, 2013, CMS released a memo to PACE organizations clarifying that PACE organizations were only required to submit EDRs for services provided beginning January 1, 2013, for which they collect a provider claim. For the transition to EDS, **PACE organizations are now to submit CRRs to report the diagnoses from PACE center services that are not currently being submitted to the EDS** (because they do not generate claims), unless the PACE organization can submit this data on an EDR.

We recognize that there are different ways in which services are provided in PACE centers. These submission instructions balance the priority to move PACE submissions to the EDS while allowing for a simpler submission for diagnoses from PACE center services during the transition. Once a PACE organization has fully transitioned to submitting risk adjustment eligible diagnoses

to the EDS, they are no longer required to submit data to RAPS. However, RAPS will remain available for the correction of data for prior years. CMS anticipates working closely with PACE organizations to support the transition from the RAPS to the EDS. In addition, we will consider additional instructions we can provide to further streamline EDR and CRR submissions for PACE center services as needed.

We encourage PACE organizations to begin following these instructions for submitting PACE center risk adjustment data to the EDS as soon as possible. **That is, organizations should either submit EDRs for services provided in a PACE center that do not generate a claim, if ready to do so, or, minimally, submit the diagnoses from these services on CRRs.** These instructions do not change previously released guidance for submitting EDRs for items and services when a PACE organization receives a claim; PACE organizations are required to continue submitting EDRs for items and services for which a claim is collected. We are also aware that some PACE organizations are already successfully submitting EDRs for all items and services provided to their participants, including those services provided at the PACE center. PACE organizations that are already submitting fulsome EDRs should continue to do so. As previously stated, PACE organizations that submit all diagnoses to the EDS are no longer required to submit diagnoses to RAPS.

Please note the EDS filtering logic will continue to be applied to identify risk adjustment eligible diagnoses from encounter data submissions.¹ EDS filtering logic is similar to RAPS filtering logic, except it uses the procedure code in place of a provider specialty when identifying risk adjustment eligible diagnoses.

Technical Instructions for PACE Organization's CRR Submission to the EDS

As previously mentioned, submissions to the EDS are on either an EDR or a CRR. There are two ways to submit a CRR, Linked CRR and Unlinked CRR. A Linked CRR identifies an already submitted and accepted EDR and associates risk adjustment eligible diagnoses from the CRR with the specific items or services on the EDR. An Unlinked CRR is submitted solely to add risk adjustment eligible diagnoses and does not identify a previously submitted EDR that the submitted diagnoses should be associated with. For the transition to the EDS, PACE organizations should submit an Unlinked CRR to report risk adjustment eligible diagnoses from services provided in the PACE center for which a claim is not generated, unless the PACE organization can submit this data on an EDR. No longer are PACE organizations restricted to only submitting CRRs when a service generates more diagnoses than fit on an EDR, when a medical record review identifies additional risk adjustment eligible diagnoses, or when diagnoses submitted on prior records are to be deleted. Note, the requirements for MA organizations have not changed. All items or services provided to an MA enrollee are to be reported on an EDR.

As discussed above, a CRR is like a RAPS record in that its purpose is solely the submission of risk adjustment eligible diagnoses. Accordingly, all diagnosis codes added through a CRR must be derived from a face-to-face visit, supported by a medical record, and meet all other risk

¹ Refer to the December 22, 2015, HPMS memo titled, "[Final Encounter Data Diagnosis Filtering Logic](#)."

adjustment criteria as discussed in Chapter 7 on Risk Adjustment in the Medicare Managed Care Manual.² Further, these diagnoses must meet encounter data filtering logic rules, whereby the services from which the diagnoses are gathered involves a procedure that has a risk adjustment allowable procedure code. A risk adjustment allowable procedure code must be reported on the CRR for a diagnosis to be considered for risk score calculation.

We understand that many services in the PACE center can result in risk adjustment eligible diagnoses, including enrollee assessments, medical record reviews, internal medical clinic visits, acute care encounters, etc. Risk adjustment eligible diagnosis codes from these services should be submitted via an EDR or Unlinked CRR. There is no limit to the number of Unlinked CRRs that may be submitted. The option to submit Unlinked CRRs without an associated encounter only applies to services provided in the PACE center. PACE organizations are required to submit EDRs for services provided for which they collect a claim.

CMS collects EDRs and CRRs using the X12 837 Version 5010 industry standard electronic health care claims transmission format. CMS has identified a subset of loops, segments, and fields from the 837 Version 5010 that must be submitted on all EDRs and CRRs (Linked and Unlinked). CMS refers to this subset of fields as Minimum Data Elements (MDE) for EDR and CRR Submissions. For more information on EDR submission processes and the minimum data elements required for EDR submission, please refer to the CSSC Operations website.³

Guidance for the submission of specific data elements:

- **Unlinked CRRs.** To designate a record as an Unlinked CRR, use the PWK01 and PWK02 data fields in loop 2300. PWK01 should be set to ‘09’ and PWK02 should be set to “AA”. The value in field CLM05-3 Claim Frequency Type Code (Loop 2300) should be set to ‘1’.
- **National Provider Identifier (NPI).** The billing NPI should be the NPI for the PACE center providing services to the enrollee or the NPI for a provider that provides services to the enrollee at the PACE center.
- **CPT/HCPCS Code for Unlinked CRRs.**
 - PACE organizations are permitted to use a Current Procedural Terminology (CPT)/ Healthcare Common Procedure Coding System (HCPCS) code that is representative of a service provided to their enrollee. Diagnoses submitted on Unlinked CRRs must be from a service that has a CPT/HCPCS code that is included on the list of allowable CPT/HCPCS codes for the pertinent payment year.⁴
 - Existing guidance also allows risk adjustment data submitters to provide default values for CPT/HCPCS codes on CRRs using a CPT/HCPCS code from the risk adjustment eligible CPT/HCPCS code list. Default CPT/HCPCS codes must be

² [Chapter 7 of the Medicare Managed Care Manual](#)

³ [CSSC Operations](#)

⁴ [Medicare Risk Adjustment Eligible CPT/HCPCS codes](#)

submitted consistent with the CMS filtering logic. In other words, diagnoses that are disallowed for risk adjustment should not be submitted with default CPT/HCPCS codes that would cause the diagnoses to be allowed. Similarly, other data elements, such as the dates of service, should preserve the integrity of the associated encounter and medical record from which the CRR was created.

PACE organizations should refer to the submission and processing resources section of this memo (below) for technical resources on EDR and Unlinked CRR submissions, including replacement and void records. We understand that not all data is always available to fully populate the minimum data elements on the professional EDR or CRR (837-P).

Submission & Processing Resources

CMS requires submission of EDRs and CRRs according to the national standards established for the X12 837 Version 5010 format, as set forth in the national Technical Report Type 3 (TR3) implementation guides, with supplemental guidance for requirements unique to the EDS. CMS' additional requirements are described in the Encounter Data Submission and Processing Guide and Appendix 3A, "MA Companion Guide: CMS' Supplemental Instructions for EDR & CRR Data Elements."⁵ In circumstances where an organization does not have data to populate a specific field that is not addressed in the Encounter Data Submission and Processing Guide or the MA Companion Guide, the TR3 submission guidance should be followed.

[ED Submission Guide and MA Companion Guide](#). The Encounter Data Submission and Processing Guide is a technical guide that assists with the submission to the EDS. Refer to sections 2.2 and 2.3 for information regarding Unlinked CRRs. The MA Companion Guide provides supplemental instructions for EDR and CRR elements.

[CSSC Website](#). Provides information on the EDS submission processes and minimum data elements required for submission, in addition to training materials and user group call presentations.

[X12 5010 TR3 Guides](#). More information regarding the X12 5010 can be found in the X12 5010 TR3 implementation guides.

[Final Filtering Encounter Data Logic HPMS Memo](#). This HPMS memo provides information about how CMS extracts risk adjustment eligible diagnoses from encounter data records for use in calculating risk scores.

CMS will host a technical assistance user group call to support PACE organizations in the transition to submitting risk adjustment data to the EDS. Please monitor HPMS notifications for specific dates and registration information.

Questions can be submitted to RiskAdjustmentPolicy@cms.hhs.gov; please specify, "PACE Organization Risk Adjustment Submissions to the Encounter Data System" in the subject line.

⁵ [Encounter Data Submission and Processing Guide](#) and [Appendix 3A](#)