Health Risk Assessments

Fact Sheet April 2021

BETTER MEDICARE ALLIANCE

Key Facts

- Medicare Advantage plans are required to conduct health risk assessments for each beneficiary within 90 days of initial beneficiary enrollment and annually thereafter.
- Health risk assessments are essential to identifying health status for risk adjustment and support care management by health plans and providers.
- Health risk assessments must be conducted by qualified health professionals and may be conducted in clinical offices or in the home setting of the beneficiary.

BMA Policy Recommendations

HRAs are essential to the collection of data needed to identify health status and patients' needs to ensure beneficiaries are getting the right care at the right time that improves their health.

Greater understanding of the role of HRAs, whether provided in the home or the clinical office, is important to understanding the personalized, integrated care delivery in Medicare Advantage that results in improved outcomes for millions of beneficiaries.

What Are Health Risk Assessments

The Centers for Medicare & Medicaid Services (CMS) requires that an initial health assessment be conducted for beneficiaries in Traditional Fee-For-Service (FFS) Medicare and in Medicare Advantage within 90 days of the effective date of Medicare enrollment. This can be accomplished through Traditional FFS Medicare initial preventive visit (i.e. "Welcome to Medicare" visit), an annual wellness visit, or, in Medicare Advantage, a health risk assessment. Medicare Advantage plans are also required to make a "best effort" to conduct a health assessment annually.

Health risk assessments (HRAs) are an objective tool used to collect information on a beneficiary's health status, health risk factors, social determinants of health, and functions of daily living. These evaluations are used to assess the overall health of beneficiaries, document diagnoses, and identify gaps in care. This data is essential for risk adjustment which is required for every enrollee annually in Medicare Advantage.

Information from HRAs may also be used by health plans and providers for population health initiatives and in health care delivery for individual patients. Such activities include care management, identification of high-risk individuals, care coordination, development of personalized comprehensive care plans, formation of suitable care teams, and personalized health and social services and referrals.

How are Health Risk Assessments Conducted

CMS does not require a specific HRA format, but it is typically presented as a questionnaire through a home visit or interview by a qualified health professional. Questions cover a range of topics including current health conditions and status, demographics, lifestyle behaviors, personal and family medical history, physiological data, and willingness to change current behaviors to improve health. The response to each question is assigned a numerical value, which contributes to a combined weighted value of risk of each beneficiary relative to the health of the average beneficiary.

The data obtained is also used in the payment process in Medicare Advantage. Health plans are paid a prospective capitated payment based on the anticipated cost of care for each beneficiary enrolled. Payments are risk-adjusted based on the demographics and health conditions of individual enrollees. Risk adjustment ensures that payment in Medicare Advantage is adequate to cover the cost of beneficiaries' care. For CMS to permit a diagnosis to be eligible for risk-adjusted payment, it must be documented in the medical record or as the result of a face-to-face visit between a beneficiary and provider. For an HRA to be used for risk adjustment purposes, it must be conducted in-person by a qualified health provider, that includes a doctor, nurse-practitioner, or physician's assistant.

Importance of Health Risk Assessments

Medicare Advantage plans and providers may use data from HRAs to inform care management, initiate interventions, or in development of care plans for beneficiaries. This data is used to identify beneficiaries with chronic conditions, other health and social needs, and deliver interventions or help arrange services for these beneficiaries. Health plans may use the information to schedule appointments with appropriate providers, make referrals to appropriate community resources, share information with the beneficiary's providers, and enroll the beneficiary in disease management or case management programs.

HRAs, risk identification, and care management are important tools that support efforts to identify health status, identify gaps in care, and provide targeted care interventions that improve health outcomes for Medicare Advantage beneficiaries.