HCRR 112 CMS Enforcement to Provider Risk: The Downstream Impact of RADV Audits

Presented April 22, 2026 by PYA's Valerie Rock, Bob Paskowski, and Kristi Evans | Part of the Healthcare Regulatory Roundup Webinar Series

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WEBINAR SUMMARY

This episode of PYA's Healthcare Regulatory Roundup webinar series examines how CMS enforcement activity, particularly Risk Adjustment Data Validation (RADV) audits, is creating downstream risk for providers participating in Medicare Advantage (MA) programs.

PYA subject matter experts outline how MA reimbursement flows from CMS to health plans and ultimately to providers, with payments driven by risk adjustment methodologies based on patient diagnoses, demographics, and documented clinical conditions. The session emphasizes that while providers are not directly submitting data to CMS in MA arrangements, their documentation and coding still influence federal payments and may carry compliance exposure. The discussion highlights increasing audit activity, documentation scrutiny, and evolving regulatory expectations, including the role of retrospective risk adjustment, documentation standards, and contractual obligations between providers and MA plans. Practical strategies are provided to help providers strengthen documentation, monitor coding accuracy, and manage audit risk.

Key topics and takeaways include:

- Medicare Advantage payments are driven by risk adjustment, not individual claims, making diagnosis accuracy and documentation critical.
- Providers play a central role in compliance even though MA plans submit data to CMS.
- RADV audits are increasing, and CMS is working through a backlog of audit years, creating ongoing documentation requests.
- Documentation must meet strict administrative requirements, including provider type, encounter type, signature, and appropriate setting.
- Unsupported or inaccurate diagnoses can lead to overpayments, audit exposure, and potential contractual consequences.
- Providers should expect continued enforcement activity despite prior delays in audit execution.
- Risk adjustment resets annually, requiring consistent documentation and coding each year.
- Internal monitoring, auditing, and alignment with payer expectations are essential to managing compliance risk.

WEBINAR HIGHLIGHTS AND FREQUENTLY ASKED QUESTIONS

What is a RADV audit and why does it matter to providers?

- A RADV audit is a CMS review of risk adjustment data submitted by Medicare Advantage plans to validate that diagnoses used for payment are supported by medical records, and provider documentation directly affects whether those payments are upheld.

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How does Medicare Advantage risk adjustment affect provider reimbursement?

- Risk adjustment determines payments to MA plans based on patient diagnoses and demographics, and while providers are typically paid fee-for-service, their documentation drives the data used to calculate those payments.

Are providers responsible for errors in Medicare Advantage claims submitted to CMS?

- Providers do not submit data directly to CMS in MA programs, but inaccurate documentation or coding may still create compliance risk and potential liability depending on contractual terms and legal interpretation.

What documentation is required to support risk adjustment diagnoses?

- Documentation must reflect a face-to-face or approved encounter, be completed by an appropriate provider type, include a valid signature and date, and support the reported diagnosis with clinical evidence.

Why are providers receiving more medical record requests from MA plans?

- MA plans are responding to increased RADV audit activity and CMS backlog by requesting records from providers to substantiate diagnoses used in risk adjustment calculations.

What are common documentation issues identified in RADV audits?

- Common issues include unsupported diagnoses, outdated problem lists, lack of specificity, missing signatures, and documentation that does not demonstrate clinical relevance to the encounter.

Can a diagnosis be supported by documentation from another provider?

- Yes, multiple providers may contribute to a patient's clinical profile, and supporting documentation may exist across different providers treating the same condition.

What steps can providers take to reduce RADV audit risk?

- Providers can strengthen documentation practices, conduct internal audits, monitor high-risk diagnoses, review payer contracts, and ensure coding reflects the full and accurate clinical picture of the patient.

ACTION ITEMS

1. Know your MA risk environment
    - Identify your MA plans, payment models (FFS, capitation, value-based), and how much revenue depends on them.
    - Review MA contracts for audit, documentation, overpayment, and clawback language.
2. Improve documentation and coding
    - For every visit, document all relevant chronic conditions and clearly show how they affect today's care.
    - Keep problem lists current and code with maximum specificity (e.g., CKD stage, diabetes with complications).
3. Prepare for RADV and record requests
    - Create a standard process/team to handle MA/RADV record requests with checklists and deadline tracking.
    - When records are requested, submit only strong, signed, clearly dated documentation that best supports each diagnosis.

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4. Strengthen compliance and audit programs
    - Make MA risk adjustment part of your formal compliance program with clear ownership.
    - Do regular targeted chart audits (high risk HCCs, chronic conditions) and correct, educate, and improve based on findings.
5. Educate providers and leaders
    - Train clinicians on how MA risk adjustment works and why diagnosis documentation affects both care and payment integrity.
    - With legal/compliance, explain in plain language your legal and contractual risks (e.g., False Claims Act, recoupments).
6. Manage tools, vendors, and data
    - Monitor any HCC/AI coding tools to ensure they suggest only diagnoses that are truly supported in the note.
    - Use basic analytics to track top HCCs and outlier patterns by provider/specialty and investigate inconsistencies.

WEBINAR OUTLINE

Introduction of Webinar and Presenters

- PYA Moderator introduces the webinar and the topic: *CMS Enforcement to Provider Risk, the Downstream Impact of RADV Audits*, and introduces the presenters: Valerie Rock, Bob Paskowski, and Kristy Evans.
- Ramzi Fadayel discusses the new Medicaid community engagement requirements from the One Big Beautiful Bill Act (OBBBA).
- He states that effective January 1, adults aged 19 to 64 must complete at least 80 hours per month of paid employment, job training, education, or community service.
- Valerie Rock outlines the focus on providers who render care to MA beneficiaries, emphasizing the importance of understanding MA reimbursement flow and compliance.
- Kristy Evans shares her extensive experience in revenue integrity, highlighting her unique perspective from both provider and consulting sides.
- Bob Paskowski discusses his background in managed care and his experience with risk adjustment data validation audits.

Learning Objectives and Medicare Advantage Funding Flow

- Bob Paskowski outlines the learning objectives: MA flow of funds, risk adjustment fundamentals, provider role in compliance, and provider strategies.
- He provides a definition and summary of MA plans and their benefits, noting they are offered by private insurance companies and plans include vision, hearing, dental, and pharmacy.
- Bob explains the MA funding flow from CMS to MA plans and then to providers, emphasizing the importance of contracts between providers and MA plans.
- He discusses the different payment methods: fee-for-service, capitation, and value-based payments.
- Bob introduces the concept of risk adjustment and how it differs from fee-for-service payments.

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Risk Adjustment Methodology and Oversight

- Bob Paskowski explains the retrospective and prospective risk adjustment methodologies.
- He provides a detailed description of how CMS builds risk profiles for beneficiaries, including demographic data, diagnosis data, and utilization.
- He discusses the importance of accurate documentation to support risk adjustment scores.
- Bob summarizes the bid process for MA plans and how risk adjustment factors (RAF scores) are used to determine payments.
- He mentions CMS's efforts to catch up on risk adjustment data validation audits, including the schedule for audits from 2018 to 2024.

Provider Compliance and Documentation Requirements

- Valerie Rock and Bob Paskowski discuss the importance of provider documentation in supporting risk adjustment scores.
- Valerie notes the False Claims Act and walks through its implications for providers submitting incorrect claims.
- Bob and Valerie discuss the role of health risk assessments (HRAs) and Bob stresses the importance of accurate documentation to support diagnoses.
- Bob highlights the administrative guidelines for documentation, including the need for provider signatures and appropriate locations for visits.
- Valerie emphasizes on the importance of comprehensive documentation to support all diagnoses reported throughout the year for MA reimbursement.

Risk Adjustment Data Validation (RADV) Audits

- Bob Paskowski explains the process of RADV audits, including the selection of samples and the request for medical records.
- The presenters discuss the potential for provider clawbacks and the importance of understanding contractual obligations.
- Valerie Rock highlights the need for providers to follow checklists and submit the required documentation.
- Bob highlights the impact of extrapolation in RADV audits and the potential for significant financial penalties and paybacks/clawbacks.
- The presenters again emphasize the importance of maintaining accurate and complete documentation to support diagnoses and avoid financial penalties.

Provider Strategies and Compliance Programs

- Valerie Rock discusses the importance of understanding MA plan requirements and following local coverage determinations (LCDs).
- The presenter detail the standardized review process for MA plans and the importance of following the appeals process.
- Valerie and Kristy discuss the impact of OIG audits and the potential for extrapolation in cases of fraud.
- Kristy Evans walks through the industry-specific compliance guidance for MA and its implications for providers and different provider types and service locations.

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- Kristy emphasizes the importance of maintaining an active compliance program and conducting regular audits to ensure accuracy.

Impact of Diagnosis Coding on Provider Payments

- Valerie Rock explains the impact of diagnosis coding on provider payments and the importance of accurate documentation, particularly to support annual reporting.
- Kristy discusses the differences between EM codes and diagnosis codes.
- Kristy details and gives examples of the importance of specificity in documentation to support high-risk diagnoses.
- Kristy explains the changes in risk adjustment methodology from HCC 24 to HCC 28 and its impact on coding.
- Kristy places emphasis on the need for providers to monitor their own data and ensure accurate diagnosis coding, particularly with complications and complex diagnoses.

Managing Provider Risk and Ensuring Compliance

- Valerie discusses the importance of monitoring vendor processes and ensuring accuracy in diagnosis coding.
- The presenters explain the potential impact of member switching on provider compliance.
- The presenters discuss the need for providers to communicate with payers and address any issues promptly.
- Kristy notes the importance of understanding the legal obligations related to diagnosis coding and compliance.

Conclusion and Resources

- Valerie Rock emphasizes the importance of understanding the downstream impact of RADV audits and the need for providers to be proactive in managing their risk.
- The presenters briefly discuss the importance of accurate documentation and the role of providers in supporting risk adjustment scores.
- Valerie concludes with emphasis on the need for providers to follow best practices and maintain an active compliance program.
- PYA Moderator provides contact information for further questions and mentions that slides and recordings of the webinar are available at pyapc.com.

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