reveleer

Turning chaos into clarity: achieving financial accuracy in MAPD reconciliation

Revenue reconciliation in Medicare Advantage Prescription Drug (MAPD) plans has undergone a remarkable transformation. What began as a simple one-to-one comparison of member enrollment has become a complex, multi-layered process that demands precision, technological prowess, and a deep understanding of regulatory requirements.

The changing landscape

MAPD revenue reconciliation used to be more straightforward, primarily focused on verifying member enrollment, checking member status, and confirming CMS payments. The process was often managed with spreadsheets and manual comparisons. However, as value-based care (VBC) has expanded and become more complex, so has revenue reconciliation.

Today, revenue reconciliation extends far beyond enrollment verification. This shift has introduced new challenges that necessitate advanced technological solutions and precise data management, including:

⭐ **Demographic member data**

⭐ **Coordination of Benefits (COB) and MSP**

⭐ **Informative clinical data**

⭐ **Information on special member status such as ESRD, hospice, institutional, etc**
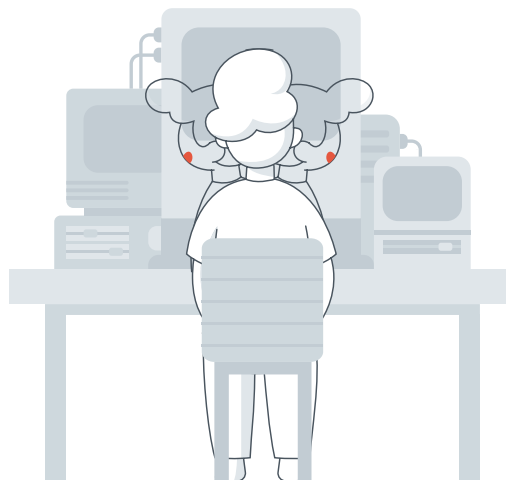
In 2025, CMS anticipates a *3.7% increase in Medicare Advantage (MA) plan payments*, translating to *over $16 billion compared to the previous year.*[1] At the same time, a heightened focus on overpayment penalties demands accuracy. This increase in payment potential, coupled with the risk of overpayment penalties, underscores the financial stakes involved.

The critical role of data integrity

Data integrity is the most pervasive challenge to accurate revenue reconciliation for health plans. The task of integrating data from various sources including enrollment systems, CMS reporting data, and third-party vendors has become increasingly complex. Managing information from multiple systems and ensuring accuracy across the board has become an overwhelming task.
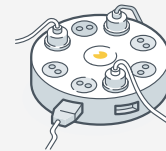
Core data integrity challenges

Addressing complex risk
adjustment reporting.

Managing bandwidth for discrepancies
investigation and resolution.

Adapting to the transition from Model
Version V24 to Model Version V28,
representing 67% of each score[2].

Configuring and verifying
each data stream for accuracy
and CMS compliance.

Inaccuracies in data can lead to significant revenue leakage, with health plans missing potential payments they're entitled to receive. Data quality problems also consume a significant amount of time required to investigate and resolve discrepancies. These challenges are compounded by the complexity of risk adjustment reporting, which requires careful tracking of membership status and managing retroactive adjustments.

For 2025, risk scores are calculated with a blend of 33% from Model Version V24 and 67% from V28.[2] This transition in risk score calculation has added complexity to reconciliation and requires health plans to adapt their data management strategies.

"In the past, we had zero automation. Our analysts and coordinators had to look at the system, update the member, make sure they match, and then create a letter manually. Everything was manual," said the Sr. Operations Manager at a Midwest regional health plan. *"We wouldn't make it today if we were still doing those things,"* said the manager.

Navigating regulatory compliance

The regulatory landscape for Medicare Advantage Prescription Drug (MAPD) plans continues to evolve, requiring health plans to maintain adaptable revenue reconciliation processes and systems. This year CMS has finalized a slight decrease of 0.16% in the MA benchmark rate for 2025.[3] While this may seem like a small change, it can have significant financial implications for health plans, especially when multiplied across large member populations.

Health plans must now be more vigilant than ever in aligning with new memos, payment changes, and retroactive adjustments. This heightened level of attention is crucial as the complexity of regulations has increased significantly since the early days of MAPD plans. The dynamic nature of these regulations demands that health plans not only stay informed but also be prepared to quickly implement changes to their reconciliation processes.

Despite the slight decrease in benchmark rates, CMS estimates that MA plans will experience an average 3.7% increase in revenue for 2025, amounting to approximately $16 billion.[4] This overall increase, coupled with the continuing phase-in of risk adjustment model changes, underscores the importance of accurate and timely revenue reconciliation to capture all entitled payments.[5]

Strategies for success in a complex environment

Despite these challenges in MAPD revenue reconciliation, advances in artificial intelligence (AI) and automation are enabling health plans to implement effective strategies for success. A key benchmark many organizations strive for is achieving at least 80% of membership with no monthly discrepancies. To reach this goal health plans must focus on:

⭐ **Implementing robust system integration**

⭐ **Carefully verifying data stream configurations**

⭐ **Fostering deep collaboration throughout the reconciliation process**

Health plan financial leaders must also prioritize tracking retroactive adjustments as these changes can significantly impact financial reporting.[6] This will require:

⭐ **Close collaboration between revenue and financial teams**

⭐ **Accurate accruals and attestations**

⭐ **Dedicated processes to monitor and manage retroactive changes**

Savvy health plans are adopting these strategies by leveraging automated and AI-powered solutions. By doing so, they can improve financial accuracy and maintain compliance with CMS regulations. These advanced solutions enable health plans to automate data processing, detect anomalies, and streamline workflows, ultimately leading to more efficient and accurate reconciliation processesix.

The role of technology in modern reconciliation

Intelligent automation, AI, and other technologies are helping health plans manage revenue reconciliation as it evolves. Many health plans have moved away from manual processes and basic spreadsheets to sophisticated software solutions.

6 Benefits of transforming Revenue Reconciliation for MAPD plans

Real-time data connectivity across various solutions

Comprehensive reporting capabilities

Automated discrepancy identification and resolution

Consolidation of information to address integration challenges

Facilitation of compliance with SaaS architecture that allows plans to easily update processes

Intelligent automation to streamline workflows

Health plans are increasingly exploring unified value-based care enablement platforms. These platforms simplify data connectivity across various solutions, consolidating information and addressing integration challenges from enrollment to submissions. Built with CMS rules in mind, these VBC enablement platforms facilitate compliance, while SaaS architecture allows health plans to update processes and systems more easily to address CMS changes. Incorporating AI and intelligent automation helps to further streamline workflows, automating and accelerating manual processes to improve efficiency, productivity and accuracy.

The need for advanced technological solutions is underscored by the changing dynamics of the MA market. For 2025, the total number of MAPD plans available to eligible members decreased by nearly 2%, totaling 5,635 plans.[7] Consolidation in the market leaves remaining plans to manage larger member bases, increasing the volume and complexity of data that must be reconciled.

Looking to the Future

Revenue reconciliation in MAPD plans will continue to evolve. The landscape is becoming increasingly competitive, with about 1.4 million members needing to choose new plans due to terminations in 2025, a 450% increase from 2024.[7] This shift in membership adds another layer of complexity to the reconciliation process, as health plans must manage an influx of new members while ensuring accurate financial reporting.

> *With Reveleer, there's so much automation set up that when revenue reconciliation hits, we're ready. We don't have to wait for anything. We can go right to it and see everything we need in one place and in real time,"* said the Midwest health plan manager.

Success will depend on a combination of advanced data management techniques, robust technology, and a proactive approach to compliance and risk management. As health plans continue to navigate these challenges, those that can adapt quickly and leverage data-driven insights will be the ones to thrive in an increasingly complex regulatory environment.

Do more with Reveleer

Schedule a demo to see how the Reveleer Platform accelerates the success of your Member Management initiatives.

REQUEST A DEMO

reveleer

As the industry's pioneering value-based care (VBC) enablement platform, Reveleer is purpose-built to solve the most pressing real-world challenges faced by provider and health-plan organizations today. By unifying retrieval, clinical intelligence, risk adjustment, quality improvement, and member management solutions into one intelligent, AI powered system, Reveleer streamlines fragmented workflows to supercharge productivity, enhance care quality, and optimize performance on high-priority value-based initiatives. To learn more about Reveleer's value-based care platform, visit us at Reveleer.com.

Endnotes:

1. "CMS Finalizes Payment Updates for 2025 Medicare Advantage and Medicare Part D Programs." CMS. (April, 2024). Available at:

https://www.cms.gov/newsroom/press-releases/cms-finalizes-payment-updates-2025-medicare-advantage-and-medicare-part-d-programs

2. "How Do We Transition from V24 to V28 Risk Adjustment Model?" KW Advanced Consulting. (November, 2023). Available at:

https://kwadvancedconsulting.com/how-do-we-transition-from-v24-to-v28-risk-adjustment-model/

3. "Insurers See Reasons for Concern as CMS Keeps the Medicare Advantage Purse Strings Tight for FY25." HFMA. (April, 2024). Available at:

https://www.hfma.org/payment-reimbursement-and-managed-care/medicare-payment-and-reimbursement/insurers-see-reasons-for-concern-as-cms-keeps-the-medicare-advantage-purse-strings-tight-for-fy25/

4. "CMS Releases Medicare Advantage Payment Rates for 2025." AHCA/NCAL. (April, 2024). Available at:

https://www.ahcancal.org/News-and-Communications/Blog/Pages/CMS-Releases-Medicare-Advantage-Payment-Rates-for-2025.aspx

5. "CMS Proposes Increasing Medicare Advantage Benchmark Payments 2.23%, or $2.1 Billion." Fierce Healthcare. (February, 2024). Available at:

https://www.fiercehealthcare.com/payers/cms-proposes-increasing-medicare-advantage-benchmark-payments-223-or-21-billion

6. "Automating Revenue Cycle Management in Healthcare." Topflight Apps. (March, 2023). Available at:

https://topflightapps.com/ideas/automating-revenue-cycle-management-healthcare/

7. "Medicare Advantage (MA) & Part D Plans: 2025." Milliman. (May, 2024). Available at:

https://www.milliman.com/en/insight/medicare-advantage-ma-pd-plans-2025