



Reengineering RADV readiness through encounter integrity and RAF transparency

Modernizing healthcare with data integrity,
intelligence and operational excellence.

Executive summary

Medicare Advantage (MA) plans are operating in a fundamentally different risk adjustment environment. The Centers for Medicare & Medicaid Services (CMS) is accelerating Risk Adjustment Data Validation (RADV) audits—from limited annual sampling to broad coverage across most MA contracts—while increasing cadence to quarterly audit cycles and tightening documentation and submission expectations. At the same time, CMS has restored a five-month medical record submission window to balance operational burden but has reiterated that RADV remains its primary mechanism to validate that diagnoses used for payment are supported by medical records, with overpayments recovered when documentation is insufficient.

Federal analyses suggest that unsupported diagnosis submissions drive roughly **\$17 billion in annual overpayments**, elevating both regulatory and financial risk for MA organizations. In parallel, CMS has proposed a major 2027 change to MA risk adjustment: excluding diagnosis codes from “unlinked chart review records” (CRRs)—diagnoses not tied to a valid encounter—to curb overpayments and ensure risk scores reflect documented clinical encounters.

In this new environment, MA plans must demonstrate not only **accuracy of risk scores** but also **end-to-end traceability** from encounter to diagnosis to HCC to RAF and ultimately to payment. Encounter integrity, documentation sufficiency and audit-ready transparency are no longer operational best practices—they are regulatory imperatives.

TriZetto® Encounter Data Manager is designed to help MA organizations meet this moment. By combining a robust encounter data integrity layer with a transparent, configurable RAF engine, our solution enables plans to:

- Ensure that diagnoses used for risk adjustment are encounter linked and audit ready
- Maintain transparent diagnosis → HCC → RAF lineage
- Model the impact of RADV findings and CMS rule changes on revenue and exposure
- Operationalize governance, controls and key performance indicators (KPIs) that align with CMS’s evolving oversight posture

The result is a framework that helps MA plans **strengthen RADV readiness**, sustain compliant revenue and proactively manage audit exposure—today and in anticipation of the 2027 risk adjustment direction.



Market context and regulatory shifts

Over the past several years, CMS has reshaped the RADV landscape through a more aggressive and data-driven audit strategy. Key shifts include:

- **Broader and more frequent audits**

CMS is moving from historically limited annual RADV samples to audits of **all eligible MA contracts annually**, launching new reviews every three months beginning February 2026. This introduces a near-continuous audit environment for MA plans.

- **Tighter documentation rules and submission constraints**

Recent updates include:

- Only two medical records per audited HCC
- Sample sizes of 35–200 enrollees
- A restored five-month medical record submission window—these constraints heighten the need for efficient retrieval workflows, consistent documentation standards and real-time visibility into potential gaps

- **Focus on encounter-anchored diagnoses**

Central to CMS's risk adjustment and RADV posture is reducing the use of **unlinked CRRs**—diagnoses not tied to a clinical encounter. Proposed 2027 changes seek to exclude such unlinked chart review diagnoses and other non-qualifying sources (e.g., audio-only encounters) from risk scoring. This makes encounter integrity and data sourcing critical for both compliance and revenue predictability.

- **AI-enabled audit and coding capabilities**

CMS has signalled plans to deploy AI-enabled coder support to accelerate completion of payment year (PY) 2018–2024 audits, further expanding its capacity to detect unsupported diagnoses and documentation patterns at scale.

Collectively, these shifts create a **high exposure environment** in which MA plans must:

- Prove that every risk bearing diagnosis is supported by RADV compliant evidence
- Demonstrate that risk scores are grounded in valid, encounter anchored data
- Quantify and manage the financial impact of **HCC removals and extrapolated recoveries**

In this context, point solutions and fragmented workflows are no longer sufficient. MA organizations need **integrated, audit aware platforms** that combine clinical, claims and risk adjustment intelligence, precisely where Cognizant's capabilities are differentiated in the market.

Fragmentation, opacity and financial blind spots: The problem landscape

Most MA organizations rely on disparate systems spanning provider, claims, EHR, care management and analytics ecosystems. This fragmentation creates risk in three critical areas:

1. Encounter integrity gaps

Diagnoses used to generate HCCs may not be **provably tied to valid encounters**—including place of service, dates of service and provider type—particularly in the context of the proposed 2027 exclusion of unlinked CRRs and non-qualifying encounter types. This creates a structural vulnerability: diagnoses may be accepted operationally but fail validation when scrutinized under RADV.

2. Documentation defensibility

Even when encounters exist, the supporting documentation may be:

- Incomplete (missing signatures, dates, provider credentials or problem specificity)
- Inconsistent across source systems
- Difficult to retrieve and assemble within the five month submission window and two record per HCC limit

This undermines an MA plan's ability to **defend risk scores** in an audit, increasing the likelihood of HCC removals and extrapolated overpayment recoveries.

3. Financial blind spots

Without precise lineage and “what if” modeling, plans struggle to:

- Quantify **RAF loss** under different RADV and CMS policy scenarios
- Understand which contracts, regions, providers or populations are most exposed
- Prioritize remediation and provider engagement based on revenue and compliance impact

As CMS introduces normalization adjustments and source exclusions—such as an estimated **-3.32% impact from model/normalization changes and -1.53% from CRR exclusion**—plans need clear visibility into **revenue at risk**, not just at an aggregate level but down to the member and HCC.

Cognizant’s perspective: RADV readiness as an enterprise capability

Cognizant views RADV readiness not as a single project or retroactive remediation exercise, but as an **enterprise capability** that brings together:

- **Trusted data**—unified, normalized clinical and claims data with robust encounter integrity
- **Transparent analytics**—clear lineage from diagnosis to HCC to RAF, with scenario simulation
- **Operational workflows**—embedded processes to identify, prioritize and close gaps proactively
- **Governance and controls**—a framework that aligns operational behavior with CMS’s evolving compliance expectations

Solution overview: From data to defensible RAF

Encounter Data Manager operationalizes this perspective by enabling MA plans to embed RADV-aware practices into day-to-day operations, rather than responding reactively when audits arrive. Building on Cognizant’s healthcare, data and analytics expertise, the solution is designed to help MA plans:

- Normalize, reconcile and validate encounter data end to end
- Create and maintain transparent diagnosis → HCC → RAF linkage
- Perform real time validation checks on encounter and documentation quality
- Model financial exposure across scenarios (e.g., HCC removal, chart insufficiency, encounter mismatches, CRR exclusions)
- Align with CMS’s RADV enforcement posture and the 2027 risk adjustment direction—while enabling more resilient, audit ready operations

Solution overview: Encounter Data Manager

Encounter Data Manager orchestrates a closed loop process where the following framework transforms raw data into **defensible risk scores**, backed by clear evidence and supported by operational workflows that can withstand RADV scrutiny.



Cognizant’s comprehensive solution integrates **encounter data integrity and RAF transparency** into a single, cohesive platform. It normalizes, reconciles and validates encounter data end to end, ensuring each diagnosis used for risk adjustment is encounter linked and audit ready.

Solution architecture and key capabilities

Encounter Data Manager brings together several core capabilities:

Unified clinical and claims data layer

- Ingests and harmonizes structured and semi-structured data across claims, EHR, care management and supplemental sources
- Applies normalization and standardization rules to create a consistent representation of encounters, diagnoses and member attributes
- Flags potential data quality issues and missing elements critical for RADV defensibility (e.g., POS, provider type, dates)

Encounter integrity and quality gate

- Validates that every risk relevant diagnosis is **anchored to a valid encounter**, aligned to CMS's "sources-of-diagnoses" expectations for CY 2027 and beyond
- Identifies **unlinked diagnoses**, unsupported CRRs and non-qualifying encounter types (such as audio-only visits)
- Enforces preventive controls, ensuring that only encounter-linked, high-quality records feed downstream risk score calculations

RAF engine and transparent lineage

- Aligns documented diagnoses to **HCCs and RAFs** using configurable rules that align to CMS models (current and proposed)
- Maintains traceability from member → encounter → diagnosis → HCC → RAF → contract
- Allows operations, actuarial, and compliance teams to understand **exactly why** a risk score changed and what data and documentation it depends on

RADV scenario modeling and exposure analytics

- Simulates the impact of RADV findings or CMS rule changes on member, provider and contract level RAF
- Enables "what if" modeling, such as:
 - Removal of specific diagnoses or HCCs
 - Application of normalization factors
 - Exclusion of unlinked CRRs or other diagnosis sources
- Quantifies potential **clawbacks and revenue at risk**, supporting informed decision making and mitigation strategies

Workflow, remediation and provider engagement

- Routes potential gaps (e.g., missing documentation, encounter mismatches, unlinked diagnoses) to operational teams for review
- Supports provider education and query workflows to close documentation and encounter gaps
- Tracks remediation progress and turnaround times relative to RADV timelines (e.g., five month submission window and quarterly audit cadence)

Governance, controls and KPIs

Encounter Data Manager is grounded in a governance model that helps MA plans embed **sustainable compliance** into operations rather than relying on ad hoc, audit time fixes.

Data governance

- Clear stewardship roles for encounter and risk adjustment data domains
- Formal change control on mappings, coding guidelines and configuration of risk models
- Documentation of data lineage and transformation logic for audit transparency

Control and accuracy

- **Preventive controls**
 - Mandatory encounter linkage before diagnoses are accepted for risk adjustment
 - Minimum documentation completeness checks prior to inclusion in risk score calculations
- **Detective controls**
 - Exceptions dashboards highlighting:
 - Unlinked diagnoses
 - Missing or incomplete charts
 - Encounter discrepancies that may trigger RADV findings

Key performance indicators

Cognizant typically recommends tracking both leading indicators (controls effectiveness) and outcomes (risk and revenue impact), such as:

- **Encounter validity**

Percentage of risk eligible diagnoses that are encounter linked, properly sourced and free of unlinked CRRs or non qualifying encounters, consistent with CY 2027 “sources-of-diagnoses” exclusions

- **Documentation sufficiency**

Percentage of HCCs supported with RADV compliant evidence (correct signatures, dates, provider type, place of service) within the two record per HCC limit and five month submission window

- **RAF stability and compliance alignment**

Measured changes in member and contract RAF when applying normalization and 2027 source exclusions—e.g., combined impacts of model/normalization to highlight revenue at risk early

- **Operational throughput and gap closure**

- Turnaround time for correcting encounter defects, documentation gaps and provider queries
- Percentage of recalculated risk scores and RADV pre audit packets completed ahead of CMS’s quarterly audit cycle and internal deadlines



Multi-audience value and use cases

Because RADV readiness spans multiple functions, Encounter Data Manager is designed to deliver value across the MA ecosystem:

For executive leadership

- Clear visibility into **contract level exposure**, RAF trends and revenue at risk
- Confidence that RADV readiness is supported by a **repeatable, governed capability**, not one off remediation
- Ability to align investments and strategy to the regulatory trajectory of MA risk adjustment

For compliance and audit teams

- Audit ready documentation packages tied directly to encounters and diagnoses
- Ability to respond faster and more accurately to CMS requests within the five month window
- Transparent evidence trails that connect risk scores to underlying clinical documentation

For product and technology leaders

- A scalable, configurable platform that integrates with existing data and analytics ecosystems
- Clear architecture for adding new data sources, models and automation over time
- Reduced fragmentation by establishing a **single source of truth** for encounter and risk adjustment data

For MA operations and care management teams

- Insight into where encounter and documentation defects are occurring
- Worklists and workflows that prioritize high impact gaps based on RAF and compliance risk
- Improved coordination with providers to close gaps prospectively

For provider groups and delegated entities

- Clear expectations for documentation quality and encounter standards
- Data driven feedback on coding, documentation and encounter patterns
- Opportunities to collaborate with MA plans on shared compliance and revenue integrity goals



Strategic outcomes and business impact

By implementing Encounter Data Manager, MA organizations can move from reactive RADV response to **proactive, strategic readiness**, with outcomes such as:

- **Reduced audit exposure and avoidable clawbacks**
 - Fewer unsupported diagnoses and unlinked CRRs feeding into risk scores
 - Stronger documentation packages that withstand RADV scrutiny
- **More stable and predictable revenue**
 - Early identification of revenue at risk from policy and model changes
 - Ability to adjust strategies and provider engagement before audits and rate notices
- **Operational efficiency and scalability**
 - Faster, more coordinated workflows for encounter correction and documentation retrieval
 - Reduced manual effort through automation and standardized processes
- **Stronger regulatory alignment and organizational trust**
 - A demonstrable commitment to CMS expectations and program integrity
 - Reinforced trust with regulators, members and partners through transparent, defensible practices

Conclusion

RADV is not fading; it is **escalating**—with broader coverage, faster rhythms and sharper operational constraints. Concurrently, MA risk adjustment is shifting decisively toward **encounter anchored diagnoses**, as reflected in CMS's proposed 2027 exclusion of unlinked chart reviews and other non qualifying sources. In this environment, MA plans need more than incremental improvements. They require **integrated, audit aware solutions** that connect encounter data integrity, RAF transparency, operational workflows and governance into a single, cohesive capability.

Encounter Data Manager provides that foundation. By unifying encounter data management with a transparent, configurable risk score engine, the solution equips MA organizations with the **controls, transparency and foresight** needed to sustain payment accuracy, defend audits and avoid avoidable clawbacks—while preparing for the next era of MA risk adjustment.



Call to action

Explore how TriZetto Encounter Data Manager can strengthen your RADV readiness.

Connect with Cognizant to learn how our combination of healthcare expertise, data and analytics capabilities and purpose built solutions can help your organization:

- Improve encounter integrity and documentation defensibility
- Gain transparent insight into RAF drivers and revenue at risk
- Operationalize governance and KPIs aligned to CMS's evolving expectations

To get started, contact your Cognizant representative or visit our healthcare and Medicare Advantage solutions page on [cognizant.com](https://www.cognizant.com)



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