DEPARTMENT OF HEALTH & HUMAN SERVICES
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Audits and Vulnerabilities Group

DATE: January 27, 2026

TO: All Medicare Advantage Organizations and Demonstrations

FROM: Steven Ferraina, Acting Director, Audits and Vulnerabilities Group, Center for Program Integrity

SUBJECT: Update on the Status of Medicare Advantage Risk Adjustment Data Validation Audits

The purpose of this memorandum is to provide Medicare Advantage (MA) organizations information about the status of contract-specific Risk Adjustment Data Validation (RADV) audits.

Over the last several months, CMS has engaged with stakeholders regarding feedback about the MA RADV audit program. We value this partnership in safeguarding the Medicare Trust Funds and appreciate the questions and feedback. Input from MA organizations has informed several refinements to our RADV approach as we work to complete outstanding payment year audits efficiently, accurately, and in a way that is mindful of operational realities for plans and providers.

CMS recognizes the critical importance of RADV audits in ensuring the accuracy and integrity of MA payments and oversight. Strengthening oversight of MA payments is a top priority of this Administration, and we are committed to executing a robust, comprehensive audit strategy that ensures payment accuracy. Currently, CMS is several payment years behind in completing RADV audits. Despite federal estimates suggesting MA organizations may be submitting unsupported diagnosis data to CMS resulting in approximately $17 billion of overpayments annually, the last significant recovery of MA overpayments under the RADV program occurred for the payment year (PY) 2007 RADV audit. CMS' completed audits for PYs 2011–2013 found overpayment rates between five percent and eight percent, and recoveries on these amounts will begin soon.

In May 2025, CMS announced a strategy to expand and significantly accelerate RADV audits to address the backlog and ensure the integrity of MA payments. In brief, that strategy set the goal of concluding audits for PYs 2018–2024 on an expedited timeframe; shortened the medical record submission window from five months to three months; established variable sample sizes from 35 up to 200 enrollees depending on contract; reduced the maximum number of medical

records that may be submitted per audited HCC from five to two; expanded audits to all RADV eligible contracts; and planned to introduce new technologies to support accelerated audits.

Throughout the Summer of 2025, CMS met with many industry stakeholders that expressed concerns about timing, operational burden, and transparency around this audit strategy and process. In response, we adjusted our RADV audit strategy to allow more time for plans to submit medical records to us and took steps to clarify requirements so that MA organizations had all the information needed to engage in the RADV audit process.

First, we restored a five-month medical record submission window and extended the hardship exception request submission window for the PY 2019 RADV audits. For the two batches of PY 2019 RADV audits that were initiated on June 12, 2025, and June 25, 2025, the medical record submission deadlines were extended to November 10, 2025, and November 24, 2025, respectively, to give audited MA organizations additional time to secure medical records from providers. CMS plans to continue applying this five-month medical record submission window to subsequent payment year audits.

Second, to reduce audit overlap and provider burden, we will initiate future RADV audits approximately every three months and publish a calendar describing the audit initiation cadence so that industry stakeholders can plan for their business needs. CMS is currently developing the calendar for future RADV audits and anticipates beginning the PY 2020 RADV audits by February 2026.

Third, to avoid confusion, we clarified that statistically valid, variable sample sizes of 35–200 enrollees would be used based on contract size or similar criteria for the PY 2020 and later RADV audits; and that smaller contracts would be much less likely to be subject to a 200 enrollee sample.

Fourth, we confirmed that while the maximum of two medical records per audited HCC will remain for future RADV audits, this is consistent with the requirement that only one valid medical record is needed to support payment. This approach strikes an appropriate balance of accelerating the completion of RADV audits while keeping MA organizations and provider burden manageable.

Finally, CMS still plans to secure new technology, powered by artificial intelligence, that will be used as a medical coder support tool to streamline human coding reviews. CMS will share more information about this new technology in the future. All medical record coding decisions that could result in overpayment determinations will be made by human certified medical coders, and the new technology will be fully tested before implementation in RADV audits.

To further support transparency, we plan to redesign the RADV program webpages soon to better organize and publish important audit program documents, such as the upcoming audit calendar, guidance documents, FAQs, and Audit Methods and Instructions. We encourage stakeholders to send specific payment year audit questions to the RADV mailbox (RADV@cms.hhs.gov) so we can continue to identify and resolve pain points in real time.

On September 25, 2025, the U.S. District Court for the Northern District of Texas vacated certain portions of CMS' 2023 RADV Final Rule. The Department of Health and Human Services (HHS) appealed this decision on November 21, 2025; nonetheless, HHS will fully comply with the district court's order as long as it remains in effect, while continuing to pursue upcoming RADV payment year audits.

We appreciate the ongoing input from industry stakeholders as we execute this work. As RADV remains a top priority for CMS in ensuring the accuracy and integrity of MA payments, your ongoing engagement plays a vital role in helping us strengthen program oversight and uphold the highest standards of fairness and accuracy.