

DEPARTMENT OF HEALTH & HUMAN  
SERVICES  
Centers for Medicare & Medicaid Services  
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**CENTER FOR MEDICARE**

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**DATE:** September 29, 2025

**TO:** All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, and PACE Organizations

**FROM:** Jennifer R. Shapiro, Director, Medicare Plan Payment Group

**SUBJECT:** Calendar Year (CY) 2026 Risk Adjustment Implementation Information

This HPMS memo provides information on changes to the 2026 Risk Adjustment Models and Normalization Factors, as well as updates to the Monthly Membership Report (MMR) and Model Output Reports (MORs), previously described in the 2026 Advance Notice and Rate Announcement.

**I. CY 2026 Risk Adjustment<sup>1</sup>**

***Risk Adjustment for Organizations other than PACE***

- CMS-HCC Risk Adjustment Model: For CY 2026, CMS is completing the phase-in of the 2024 CMS-HCC model by using 100 percent of the risk score calculated using the 2024 CMS-HCC model.
- RxHCC Risk Adjustment Model & Normalization Factors: For CY 2026, CMS will calculate risk scores using 100 percent of the updated version of the RxHCC model (i.e., 2026 RxHCC 2022/2023 calibration). In addition, separate normalization factors will continue to be applied for Medicare Advantage prescription drug (MA-PD) plans and stand-alone Medicare Part D prescription drug plans (PDPs).
- ESRD Risk Adjustment Model: For CY 2026, CMS will continue to use the 2023 ESRD model to calculate risk scores for beneficiaries in dialysis, transplant, and post-graft status.

***Risk Adjustment for PACE Organizations***

- CMS-HCC Risk Adjustment Models: For CY 2026, CMS will calculate risk scores as a blend of 10 percent of the risk score calculated using the 2024 CMS-HCC model with diagnoses from encounter data and FFS claims only and 90 percent of the risk score calculated using

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<sup>1</sup> See the [2026 Advance Notice](#) and [2026 Rate Announcement](#) for details on CY 2026 risk adjustment models.

the 2017 CMS-HCC model with diagnoses from the risk adjustment processing system (RAPS), encounter data, and FFS claims.

- **RxHCC Risk Adjustment Models:** For CY 2026, CMS will calculate risk scores as a blend of 10 percent of the risk score calculated using the 2026 RxHCC, 2022/2023 calibrated model with diagnoses from encounter data and FFS claims only and 90 percent of the risk score calculated using the 2026 RxHCC, 2018/2019 calibrated model with diagnoses from RAPS, encounter data, and FFS claims.
- **ESRD Risk Adjustment Models:** For CY 2026, CMS will calculate risk scores as a blend of 10 percent of the risk score calculated using the 2023 ESRD model with diagnoses from encounter data and FFS claims only and 90 percent of the risk score calculated using the 2019 ESRD model with diagnoses from RAPS, encounter data and FFS claims.

## II. **Risk Adjustment Reports**

### a. **2026 Monthly Membership Report (MMR) Updates:**

For PACE organizations only, the November 2025 Plan Communications User Guide (PCUG) will be updated with the following new Risk Adjustment Factor Type Codes in Field 46 of the MMR highlighted in yellow.

Monthly Membership Detail Report				
Item	Field	Size	Position	Description
	Risk Adjustment Factor Type Code	2	189-190	<p>The type of Part C Risk Adjustment Factor used to calculate this payment or adjustment.</p> <p>C = Community (Adjustments before 2017; PACE only beginning 1/2017 and ending 12/2019)</p> <p>C1 = Community Post Graft 4-9 (ESRD) (Adjustments before 2023)</p> <p>C3= Community Post Graft 4-9 (ESRD) Full Dual</p> <p>C4= Community Post Graft 4-9 (ESRD) Partial Dual</p> <p>C5= Community Post Graft 4-9 (ESRD) Non-Dual</p> <p>C2 = Community Post Graft 10+ (ESRD) (Adjustments before 2023)</p> <p>C6= Community Post Graft 10+ (ESRD) Full Dual</p> <p>C7= Community Post Graft 10+ (ESRD) Partial Dual</p> <p>C8= Community Post Graft 10+ (ESRD) Non-Dual</p> <p>CF = Community Full Dual</p> <p>CP = Community Partial Dual</p> <p>CN = Community Non-Dual</p> <p>D = Community Dialysis (ESRD) (Adjustments before 2023)</p> <p>D1 = Community Dialysis (ESRD) Full Dual</p> <p>D2 = Community Dialysis (ESRD) Partial Dual or Non-dual</p> <p>E = New Enrollee</p>

Monthly Membership Detail Report				
Item	Field	Size	Position	Description
46				ED = New Enrollee Dialysis (ESRD) E1 = New Enrollee Post Graft 4-9 (ESRD) E2 = New Enrollee Post Graft 10+ (ESRD) G1 = Graft I (ESRD) G2 = Graft II (ESRD) I = Institutional I3 = Institutional Dialysis (ESRD) Full Dual I4 = Institutional Dialysis (ESRD) Partial or Non-Dual I1 = Institutional Post Graft 4-9 (ESRD) (Adjustments before 2023) I5 = Institutional Post Graft 4-9 (ESRD) Full Dual I6 = Institutional Post Graft 4-9 (ESRD) Partial Dual I7 = Institutional Post Graft 4-9 (ESRD) Non-Dual I2 = Institutional Post Graft 10+ (ESRD) (Adjustments before 2023) I8 = Institutional Post Graft 10+ (ESRD) Full Dual I9 = Institutional Post Graft 10+ (ESRD) Partial Dual IA = Institutional Post Graft 10+ (ESRD) Non-Dual SE = New Enrollee Chronic Care SNP PA = PACE Community Dialysis (ESRD) (Adjustments before 2026) <b>PN = PACE Community Dialysis (ESRD) Full Dual</b> <b>PO = PACE Community Dialysis (ESRD) Partial Dual or Non-dual</b> <b>PP = PACE Institutional Dialysis (ESRD) Full Dual</b> <b>PQ = PACE Institutional Dialysis (ESRD) Partial Dual or Non-dual</b> PB = PACE New Enrollee Dialysis (ESRD) PC = PACE Community Post Graft 4-9 (Adjustments before 2026) <b>PR = PACE Community Post Graft 4-9 (ESRD) Full Dual</b> <b>PS = PACE Community Post Graft 4-9 (ESRD) Partial Dual</b> <b>PT = PACE Community Post Graft 4-9 (ESRD) Non Dual</b> PD = PACE Institutional Post Graft 4-9 (ESRD) (Adjustments before 2026) <b>PU = PACE Institutional Post Graft 4-9 (ESRD) Full Dual</b> <b>PV = PACE Institutional Post Graft 4-9 (ESRD) Partial Dual</b> <b>PW = PACE Institutional Post Graft 4-9 (ESRD) Non</b>

Monthly Membership Detail Report				
Item	Field	Size	Position	Description
				<p>Dual</p> <p>PE = PACE New Enrollee Post Graft 4-9 (ESRD)</p> <p>PF = PACE Community Post Graft 10+ (ESRD) (Adjustments before 2026)</p> <p>PX = PACE Community Post Graft 10+ (ESRD) Full Dual</p> <p>PY = PACE Community Post Graft 10+ (ESRD) Partial Dual</p> <p>PZ = PACE Community Post Graft 10+ (ESRD) Non Dual</p> <p>PG = PACE Institutional Post Graft 10+ (ESRD) (Adjustments before 2026)</p> <p>P1 = PACE Institutional Post Graft 10+ (ESRD) Full Dual</p> <p>P2 = PACE Institutional Post Graft 10+ (ESRD) Partial Dual</p> <p>P3 = PACE Institutional Post Graft 10+ (ESRD) Non Dual</p> <p>PH = PACE New Enrollee Post Graft 10+ (ESRD)</p> <p>PI = PACE Community Full Dual</p> <p>PJ = PACE Community Partial Dual</p> <p>PK = PACE Community Non-Dual</p> <p>PL = PACE Graft I (ESRD)</p> <p>PM = PACE Graft II (ESRD)</p> <p>Note: The actual RAF values are in fields 24 – 25.</p>

## b. CY 2026 Model Output Reports

CMS distributes two Model Output Data Files – one for Part C and one for Part D. Within the data files, there are Model Output Reports (MORs) with unique record types that correspond to each model being run for payment. We distribute these MORs to plans to identify the HCCs/RxHCCs used to calculate risk scores for each of their enrolled beneficiaries. The following table provides information regarding changes to the MORs that will be generated for the CY 2026 initial, midyear, and final reconciliation payments.

In CY 2026 MOR Record Type J will no longer be used.

In CY 2026 MOR Record Type M, L, and 6 will now be used for PACE organizations in addition to organizations other than PACE organizations.

The record types for CY 2026 are outlined as follows:

### ***Organizations other than PACE***

<b>2026 Model Run Data Source</b>	<b>Model</b>	<b>Model Version</b>	<b>MOR Record Type</b>
MOR Record Types (Encounter Data and FFS Based HCCs)	2024 CMS-HCC	V28	M
	2026 RxHCC *	V08	6*
	2023 ESRD (Dialysis and Functioning Graft)	V24	L

### ***PACE Organizations***

<b>2026 Model Run Data Source</b>	<b>Model</b>	<b>Model Version</b>	<b>MOR Record Type</b>
MOR Record Types (Encounter Data and FFS Based HCCs)	2024 CMS-HCC	V28	M
	2026 RxHCC*	V08	6*
	2023 ESRD (Dialysis and Functioning Graft)	V24	L
MOR Record Types (RAPS, Encounter Data, and FFS Based HCCs)	2017 CMS-HCC	V22	K
	2026 RxHCC **	V08	7**
	2019 ESRD (Dialysis and Functioning Graft)	V21	B

\* MOR Record Type 6 uses the 2026 RxHCC model calibrated on 2022/2023 diagnoses and expenditures.

\*\* MOR Record Type 7 uses the 2026 RxHCC model calibrated on 2018/2019 diagnoses and expenditures.

### **III. CY 2026 Risk Adjustment Model Software Update**

CMS is currently working towards transitioning the risk adjustment software away from SAS by CY 2028. As part of our transition process, we are working on updating our current model software that will be used during 2026 moving forward to Python. In addition to the typical SAS software, we anticipate making test software available in Python for the 2026 midyear/final run in early 2026. We also plan to have SAS and Python available for the 2027 initial software in mid-2026, with the 2027 midyear/final software to follow later in 2026. From CY 2028 initial software moving forward we intend to only create and release risk adjustment model software in Python.

The availability of Risk Adjustment Model Software for upcoming model runs is outlined below:

Model Run	SAS Software Package	Python Software Package
CY 2026 Mid-Year/Final	Yes	Yes
CY 2027 Initial	Yes	Yes
CY 2027 Mid-Year/Final	Yes	Yes
CY 2028 Initial	No	Yes

The Plan Communications User Guide (PCUG), <https://www.cms.gov/data-research/cms-information-technology/access-cms-data-application/mapd-plan-communication-user-guide>, includes all MOR record layouts that will be used in CY 2026.

Policy questions related to CY 2026 risk adjustment should be submitted to the risk adjustment policy mailbox ([riskadjustmentpolicy@cms.hhs.gov](mailto:riskadjustmentpolicy@cms.hhs.gov)).

Operational questions related to the MORs should be submitted to the risk adjustment operations mailbox ([riskadjustmentoperations@cms.hhs.gov](mailto:riskadjustmentoperations@cms.hhs.gov)).

Questions related to the MMR and MARx should be submitted to the MAPD Helpdesk ([mapdhelp@cms.hhs.gov](mailto:mapdhelp@cms.hhs.gov)).

Please use **CY 2026 Risk Adjustment Implementation Information** as the subject in all communications regarding this memo.

#### IV. Addendum: Risk score changes that can occur for Calendar Year 2026

Below is a summary of how risk scores are updated throughout the year.

January 2026	<ul style="list-style-type: none"><li>• Initial risk scores are applied in payment</li><li>• Initial risk scores based on diagnoses from July 2024 – June 2025 dates of service</li><li>• Community versus long-term institutional (LTI) status is based on the August 2025 LTI status.</li><li>• Low income status is based on the January 2026 low income subsidy (LIS) status</li></ul>
On or about July 2026	<ul style="list-style-type: none"><li>• Mid-year risk scores are applied in payment.</li><li>• Midyear risk scores based on diagnoses from January 2025 – December 2025 dates of service</li><li>• Community versus LTI status is updated, based on the February 2026 LTI status.</li><li>• Low income status is determined on a month-by-month basis using the LIS status of each payment month.</li><li>• A beneficiary's factor type used after the mid-year risk score may be different from their initial risk score because of changes in community/LTI status and/or low income status.</li><li>• If a beneficiary's mid-year risk score differs from their initial risk score, the mid-year risk score is used from July through the end of the year, and payments for January – June are adjusted.</li></ul>
On or about June 2027	<ul style="list-style-type: none"><li>• Final risk scores are applied in payment.</li><li>• Final risk scores based on diagnoses from January 2025 – December 2025 dates of service</li><li>• Community versus LTI status is determined on a month-by-month basis.</li><li>• Low income status is determined on a month-by-month basis using the LIS status of each payment month.</li><li>• A beneficiary's final risk score may be different from their mid-year risk score because of changes in community/LTI status and/or low income status.</li></ul>