

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

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TO: All Medicare Advantage (MA) Organizations, Cost Plans, PACE Organizations,  
and Demonstrations

FROM: Cheri Rice, Director  
Medicare Plan Payment Group

SUBJECT: MA Enrollee Risk Assessment Code “Clinical Setting” versus “Nonclinical Setting” --  
Clarification

DATE: November 29, 2013

The purpose of this notification is to provide clarification based on questions we have received regarding the August 14, 2013 CMS software release announcement about MA Enrollee Risk Assessment Codes.

We have been asked for clarification of the term “non-clinical setting” when used to populate the *Risk Assessment* field. For risk-adjustment purposes, whether a setting is clinical or non-clinical should be determined based on the place of service (POS). A setting is a POS, not a type of service or a type of provider. Further, we are clarifying that, for purposes of MA risk-adjustment, a non-clinical setting is a beneficiary’s home. This is referenced as code 12 “Home” in the existing POS Codes for professional services, which can be found at [http://www.cms.gov/Medicare/Coding/place-of-service-codes/Place\\_of\\_Service\\_Code\\_Set.html](http://www.cms.gov/Medicare/Coding/place-of-service-codes/Place_of_Service_Code_Set.html).

Thus, Risk Assessment code A should be used for diagnoses that come from clinical settings, and the Risk Assessment codes B and C should be used for diagnoses that come from non-clinical settings, that is, the beneficiary’s home.

CMS will publish proposed policy regarding enrollee risk assessments in the 2015 Advance Notice. The final policy may affect these reporting requirements.

If an MA organization has a question about which Risk Assessment code to use for a RAPS record, please send your question to [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov). Please include in your question information about the setting in question and include your rationale regarding which of the three codes your organization believes should apply to that setting. Please use ‘MA Enrollee Risk Assessment Code “Clinical Setting” versus “Nonclinical Setting” Clarification’ as the subject in all communications regarding this guidance.