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DATE: January 23, 2018  
TO: All Medicare Advantage Organizations, Medicare-Medicaid Plans, and Demonstrations  
FROM: Jennifer Harlow, Deputy Director, Medicare Plan Payment Group  
SUBJECT: Part C Risk Scores to Support Evaluation of Proposals in Part I of the 2019 Advance Notice

On December 27<sup>th</sup>, 2017 CMS published Part I of the 2019 Advance Notice, which discusses CMS research and development of our proposed Part C risk adjustment models, as directed by the 21<sup>st</sup> Century Cures Act. This memo is to inform MA organizations that CMS has posted plan-level risk scores on HPMS. These risk scores are calculated with each of the models discussed in Part I of the Advance Notice. Risk scores and accompanying technical notes can be found in the Risk Adjustment module of HPMS under the heading “Proposed PY2019 Part C Model Risk Scores.”

In addition, the diagnosis to HCC mappings for each of the models in Part I of the Advance Notice have been published on the CMS risk adjustment webpage:  
<https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html>.

In Part I of the 2019 Advance Notice, CMS proposed to calculate payments in 2019 with a blend of 75 percent of the risk score calculated with the current CMS-HCC model and 25 percent of the risk score calculated with the proposed “Payment Condition Count” model. To minimize plan burden, we also proposed to continue to calculate only two risk scores that would be blended, by calculating RAPS-based risk scores with the current model and encounter data-based risk scores with the proposed model.

All risk scores posted on HPMS are PY2016 risk scores, calculated with diagnoses submitted for 2015 dates of service. Risk scores provided include those calculated using the current “2017” CMS-HCC model, as well as risk scores calculated using the three models addressed in Part I of the 2019 Advance Notice: the proposed “Payment Condition Count” model, the “All Condition Count” model, and the updated CMS-HCC model without count variables. Consistent with the proposal in Part I of the Advance Notice, the RAPS-based risk scores are calculated with the 2017 CMS-HCC model and diagnoses submitted to RAPS as of January 31<sup>st</sup>, 2017. The risk scores calculated with the three discussed models are calculated with diagnoses selected from encounter data records submitted on or before May 1<sup>st</sup>, 2017 and reported on the Phase 3 version 2 MAO-004 report, with inpatient RAPS diagnoses included as a supplement.

CMS estimates that, across all MA organizations, the differential between encounter data-based risk scores, calculated with RAPS inpatient diagnoses included as a supplement and the proposed “Payment Condition Count” model, and RAPS-based risk scores calculated with the current (2017) CMS-HCC model, is on average -0.71%. This differential does not take into account the proposed risk score blend of 75% of the RAPS-based score and 25% of the encounter data-based score. Further, CMS anticipates this difference will decrease when we run final 2016 risk scores that incorporate changes applied in the Phase 3 version 3 MAO-004 report and additional diagnoses submission run out.

For technical questions related to the risk scores posted on HPMS, please email the CMS Risk Adjustment mailbox at [RiskAdjustment@cms.hhs.gov](mailto:RiskAdjustment@cms.hhs.gov) and specify “2019 Advance Notice Part C Risk Scores” in the subject line. To submit electronic comments on proposals in Part I of the 2019 Advance Notice, go to [www.regulations.gov](http://www.regulations.gov), enter the docket number “CMS-2017-0163” in the “Search” field, and follow the instructions for “submitting a comment.”