

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



**CENTER FOR MEDICARE
MEDICARE PLAN PAYMENT GROUP**

DATE: March 12, 2018

TO: All Medicare Advantage Organizations, PACE Organizations, Medicare-Medicaid Plans, Section 1833 Cost Contractors and Section 1876 Cost Contractors, Demonstrations and PDPs

FROM: Jennifer Harlow, Deputy Director
Medicare Plan Payment Group

SUBJECT: Updates to Payment Years (PY) 2017 and 2018 Model Output Report (MOR)

CMS distributes the MOR to plans to identify the Hierarchical Condition Codes (HCCs) used to calculate risk scores for each beneficiary. This memo provides information regarding the MORs for the 2017 Interim Final and Final Reconciliation, and the 2018 Mid-Year and Final reconciliation payment.

For PY 2017 (2016 dates of service), CMS will use a blended risk score, adding 25% of the risk score calculated based on HCCs from diagnoses filtered from encounter data and fee-for-service (FFS) claims with 75% of the risk score calculated based on HCCs from diagnoses submitted to the risk adjustment processing system (RAPS) and FFS claims.

For PY 2018 (2017 dates of service), CMS will use a blended risk score, adding 15% of the risk score calculated based on HCCs from diagnoses filtered from encounter data and FFS claims with 85% of the risk score calculated based on HCCs from diagnoses submitted to the risk adjustment processing system (RAPS) and FFS claims.

To assist plans in identifying HCCs from the RAPS and encounter data, the MORs have been updated to allow separate reporting of HCCs used in the RAPS-based scores and the encounter data-based scores for the model used in Payment Years 2017 and 2018. For PY2017 interim final payment and 2018 Mid-Year payment, the only new MOR record type is record type 'H' for the 2017 CMS-HCC aged/disabled model encounter data-based HCCs, and this new record type has the same layout as the current record type 'D' for RAPS-based HCCs under the 2017 CMS-HCC model.

Specifically, there will be a MOR record type that reports HCCs based on diagnoses from encounter data and FFS and a separate record type that reports HCCs based on diagnoses from the RAPS and FFS. The MOR layouts are the same for record types that are reporting HCCs/RxHCCs for the same model. For example, record types B, E, and G are all reporting HCCs in the ESRD and post graft model, although HCCs based on different data sources; therefore the same MOR layout applies to all

three record types. This is the same case for record types 2, 4, and 5, which report RxHCCs for the Part D model, as well as record types D and H, which report HCCs for the CMS-HCC aged/disabled model.

Please note, for PY 2017 and PY2018, risk scores for PACE organizations continue to be calculated based on diagnoses from RAPS, encounter data, and FFS in equal measure with no weighting. Therefore, there are record types specifically for PACE organizations that report HCCs from any of the three sources (RAPS, encounter data, and FFS).

The record types for 2017 Interim Final and Final reconciliation are outlined as follows:

| 2017 Final Model Run Data Source | Model | Model Version | MOR Record Type |
|-------------------------------------------------------------------------|-----------------------------------------------|----------------------|----------------------------|
| MOR Record Types for RAPS and FFS Based HCCs | ESRD and ESRD Post Graft | V21 | E |
| | CMS-HCC Aged/Disabled (non-PACE and non-ESRD) | V22 (PY 2017) | D |
| | RxHCC | V05 (PY 2017) | 2 |
| MOR Record Types for Encounter Data and FFS Based HCCs | ESRD and ESRD Post Graft | V21 | G |
| | CMS-HCC Aged/Disabled (non-PACE and non-ESRD) | V22 (PY 2017) | H |
| | RxHCC | V05 (PY 2017) | 4 |
| MOR Record Types for PACE Organizations (RAPS, FFS, and Encounter Data) | PACE and PACE-ESRD | V21 | B |
| | RxHCC | V05 (PY 2017) | 5 |

The record types for 2018 Mid-Year and Final reconciliation are outlined as follows:

| 2018 Mid-Year & Final Model Run Data Source | Model | Model Version | MOR Record Type |
|-------------------------------------------------------------------------|-----------------------------------------------|----------------------|----------------------------|
| MOR Record Types for RAPS and FFS Based HCCs | ESRD and ESRD Post Graft | V21 | E |
| | CMS-HCC Aged/Disabled (non-PACE and non-ESRD) | V22 (PY 2017) | D |
| | RxHCC | V05 (PY 2018) | 2 |
| MOR Record Types for Encounter Data and FFS Based HCCs | ESRD and ESRD Post Graft | V21 | G |
| | CMS-HCC Aged/Disabled (non-PACE and non-ESRD) | V22 (PY 2017) | H |
| | RxHCC | V05 (PY 2018) | 4 |
| MOR Record Types for PACE Organizations (RAPS, FFS, and Encounter Data) | PACE and PACE-ESRD | V21 | B |
| | RxHCC | V05 (PY 2018) | 5 |

The Plan Communications User Guide (PCUG, https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-technology/mapdhelphdesk/Plan_Communications_User_Guide.html) has been updated to include these MOR layouts.

Questions related to this guidance should be submitted to riskadjustment@cms.hhs.gov. Please use “HPMS Memo – Updates to Payment Years (PY) 2017 and 2018 Model Output Report (MOR)” as the subject in all communications regarding this guidance.