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**DATE:** October 16, 2018

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

**FROM:** Jennifer Harlow, Deputy Director, Medicare Plan Payment Group

**SUBJECT:** Release of Payment Condition Count Model Software and ICD-9 Diagnosis to HCC Mappings

In Part I of the 2019 Advance Notice CMS proposed a new “Payment Condition Count” model. The proposed “Payment Condition Count” (PCC) model was developed in response to requirements in the 21st Century Cures Act that the Secretary shall “take into account the total number of diseases or conditions of an individual enrolled in an MA plan and make an additional adjustment ... as the number of diseases or conditions of an individual increases.” Many who commented on Part I of the 2019 Advance Notice requested additional information about the PCC model and asked that CMS delay the implementation of the count variables in order to have additional time to evaluate the proposed model.

The Act also specifies that any changes to risk adjustment resulting from this requirement are to be phased-in over a 3-year period, beginning with 2019, with such changes being fully implemented for 2022 and subsequent years. Since the law provides for a three year phase-in, by 2022, CMS decided to postpone the implementation of the PCC model and stated that it would work to share information about the model with stakeholders. In the 2019 Announcement, we stated our intention to propose and implement the PCC model in 2020.

In response to requests for additional information about the PCC model, we are providing the following on the Risk Adjustment page of the CMS Web site:

- The ICD-9 to HCC mappings for all HCCs.
- Model software for the PCC model proposed in Part I of the 2019 Advance Notice.
- Model software for the All Condition Count model discussed in Part I of the 2019 Advance Notice

This material is provided on the Risk Adjustment webpage in the Condition Count Model Software/ICD-9 Mappings folder: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors-Items/RiskOtherModel-Related.html?DLPage=1&DLEntries=10&DLSort=0&DLSortDir=descending>.

The published software is analytic software intended to support the evaluation of the models. As such coefficients have not been denominated. See the relative factor tables in Part I of the 2019 Advance Notice for the appropriate denominator for each model.

Further, we will hold a conference call with a webinar to review CMS research related to the condition count models that we presented in the 2019 Advance Notice and respond to questions on Wednesday, October 24, 2018 from 2:00 to 3:00 pm EDT.

Participants may join the call by dialing 888-282-0357. The participant passcode for the meeting is 9269140.

Participants can view the webinar directly at:

<https://www.mymeetings.com/nc/join.php?i=PWXW7924740&p=9269140&t=c>

URL: <https://www.mymeetings.com/nc/join/>

Conference number: PWXW7924740

Audience passcode: 9269140