

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

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**DATE:** January 18, 2019

**TO:** All Medicare Advantage Organizations, Medicare-Medicaid Plans, and Demonstrations

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

**SUBJECT:** Part C Risk Scores for the Risk Adjustment Models Discussed in Part I of the 2020 Advance Notice

On December 20, 2018 CMS published Part I of the 2020 Advance Notice, which discusses the proposed Part C risk adjustment model and an alternative model for payment year 2020. This memo is to inform Medicare Advantage organizations that CMS has posted plan-level risk scores calculated with the models discussed in the 2020 Notice on HPMS for your review. The posted risk scores are calculated with each of the Part C risk adjustment models in use for payment in 2019, as well as each of the models discussed in Part I of the 2020 Advance Notice. Risk scores and accompanying technical notes can be found in the Risk Adjustment module of HPMS under the heading “Proposed PY2020 Part C Model Risk Scores.”

In addition, the diagnosis to HCC mappings and model software are available on the CMS risk adjustment webpage (found [here](#)).

In Part I of the 2020 Advance Notice, CMS proposed to calculate payments in 2020 by blending 50 percent of the risk score calculated with the 2017 CMS-HCC model and 50 percent of the risk score calculated with the proposed Payment Condition Count (PCC) model. To minimize plan burden, we also proposed to continue calculating only two risk scores that would be blended, by calculating RAPS-based risk scores with the 2017 CMS-HCC model and encounter data-based risk scores calculated with the proposed PCC model.

All risk scores posted on HPMS are PY2017 risk scores, calculated with diagnoses submitted for 2016 dates of service. Risk scores provided include those calculated using the current 2017 CMS-HCC model and 2019 CMS-HCC model, as well as risk scores calculated using the two models addressed in Part I of the 2020 Advance Notice: the proposed PCC model, and an alternative Payment Condition Count (APCC) model. 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 risk scores calculated with the 2019 CMS-HCC model, the proposed PCC model, and the APCC model are calculated with diagnoses selected from encounter data records. Diagnoses were included from RAPS and encounter data records with dates of service in 2016 submitted on

or before January 31<sup>st</sup>, 2018. Encounter data diagnoses were selected as reported on the Phase 3 version 3 MAO-004 report, with inpatient RAPS diagnoses included as a supplement.

CMS estimates that, across all MA organizations the difference between encounter data-based risk scores (with RAPS inpatient diagnoses included as a supplement) calculated using the proposed “Payment Condition Count” model and RAPS-based risk scores calculated using the 2017 CMS-HCC model is on average -0.58% in PY2017. This differential does not take into account the proposed risk score blend of 50% of the RAPS-based score and 50% of the encounter data-based score. Further, CMS anticipates this difference will decrease when we run final 2017 risk scores that incorporate Phase III version 3 changes to the MAO-004 report and additional diagnosis codes from encounter data records submitted through September 14<sup>th</sup>, 2018. In PY2016, we measure no difference when comparing the average RAPS-based risk score calculated with the 2017 CMS-HCC model and diagnoses submitted as of January 31<sup>st</sup>, 2017 to the average encounter data-based risk score calculated with the proposed PCC model and diagnoses from records submitted on or before September 14<sup>th</sup>, 2018 as reported on the Phase III version 3 MAO-004 report. We expect this lack of difference to continue moving forward.

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 “2020 Advance Notice Part C Risk Scores” in the subject line.