2014 MA Plans HCC Model Change from Model 12 to Model 22

PREMIUM YEAR 2014 – (2013 Dates of Service)

What this means for your Medicare Advantage Plan
Today’s Agenda

- Highlights
- What no longer counts
- What is new
- Disease Interactions
- 25/75 blended risk scores
- Rx HCCs
- Next steps
- Questions
• Clinically Revised CMS-HCC Model- Model 12 currently has 70 HCCs. The new Model 22 has increased to 79 HCCs

• CMS will phase-in changes over a two year period- CMS will blend 25% of the 2013 model risk score with 75% of the 2014 model risk score. The new model will be fully phased in by January 1, 2015

• Coding Intensity Adjustment- The Coding Intensity Adjustment for payment year 2013 remains unchanged at 3.41% and for payment year 2014 is increased to 4.91%. The impact to the plan is negative.
- **Normalization Factor** - Because CMS will be blending the Model Risk Scores, there will be 2 Normalization Factors being combined in this 2014 Normalization Factor:
  - 2013 CMS-HCC Model 1.041 - 25%
  - 2014 CMS-HCC Model 1.026 - 75%

- Medicare Enrollee **Prospective** Health Risk Assessment - CMS is delaying the collection of flags & potential provider follow-up until calendar year 2014. This is expected to be addressed in the 2015 Advance Notice.
There are 131 ICD-9 codes that no longer map to an HCC in the New Model 22. The most common diagnoses are as follows:

- **CKD** (HCC 131)-Chronic Kidney Disease Stage 1-3 along with unspecified CKD & Nephritis (HCC 132) no longer map to an HCC. Only CKD Stage 4 (new HCC 135) & Stage 5 (new HCC 136) will be included in the new model. GFRs are the best way to capture CKD diagnoses and depending on the result may qualify for staging.

- **Diabetes** (HCC 15 & 16)-Although in PY2013 there were factor changes for Diabetes, CMS has decided to eliminate HCC 15 & HCC 16 from the new Model. The corresponding ICD-9 codes for these HCCs now fall under HCC 18 in Model 22.
What No Longer Counts Continued

- **Polyneuropathy** (HCC 71)-Peripheral Neuropathy does not map to an HCC in Model 22. Toxic Neuropathy (complications of diseases causing the Neuropathy) (new HCC 75) is carried over and remains in the new Model.

- **Old MI** (HCC 83), **Asphyxia & Hypoxia** (HCC 79)-These diagnoses will no longer map to an HCC in Model 22. Some of the costs associated with these however will be captured by the heart & lung HCCs.

- **Skin Ulcer** (HCC 148)-Not all skin ulcers are included in the new HCC Model. Stages 1 & 2 do not map to an HCC, where as Stage 3, 4, and unstageable do map to an HCC (new HCC’s 157 or 158) in Model 22.
• **Pancreatic Disease** (HCC 32)- Chronic Pancreatitis (HCC 34) is the only Pancreatic disease that maps to an HCC in Model 22. All of the Acute Pancreatic diagnoses were eliminated.

• **Celiac Disease** (HCC 32)- Celiac disease is felt to be strongly treated by a person’s diet. CMS has also decided to eliminate this diagnosis from the new Model 22.

• **Major Complications of Medical Care & Trauma** (HCC 164)- The only ICD-9s in this category that map to an HCC in Model 22 are complications of specified device or graft (HCC 176).
There are 226 new ICD-9 codes that are now mapping to an HCC in the New Model 22. The most common diagnoses are as follows:

- **SIRS** - Systemic Inflammatory Response Syndrome/Shock was added to HCC 2 in Model 22 along with Sepsis & Severe Sepsis.

- **Diabetes** - CMS has regrouped Diabetes into 3 categories. They are Diabetes with Acute Complications (HCC 17), Diabetes with Chronic Complications (HCC 18), and Diabetes without Complications (HCC 19). Code the specific manifestation. Remember all of the ICD-9 codes that mapped to HCC 15 & HCC 16, now map to HCC 18 in Model 22.

- **Morbid Obesity** - This is a new HCC (HCC 22) in Model 22. The diagnoses that fall under this category include staged ICD-9 codes for Body Mass Index of 40 and over.
What is New Continued

- **Endocrine & Metabolic Disorders** (HCC 23)- This is also a new HCC that includes 80 ICD-9 codes. Many Metabolic and Immunity Disorders are now included in this new HCC.

- **Coagulation Defects & Other Specified Hematological Disorders** (HCC 48)- This HCC also includes a large number (48) of ICD-9 codes. Many of the ICD-9 codes in this HCC are more specific to blood clotting diagnoses.

- **Fibrosis of Lung and Other Chronic Lung Disorders** (HCC 112)- This is a new HCC in Model 22. The diagnoses that fall under this category include some ICD-9 codes that are specific to environmental lung disorders such as Asbestosis.
In Model 12 there were 6 Interaction codes for Community factor status & 5 Interaction codes for Institutional factor status.

- There were 2 of the 3 Diabetes Disease Interactions eliminated in Model 22. They were DM/CVD & RF/CHF/DM. The only other eliminated Disease Interaction is COPD/CVD/CAD.

In the new Model 22 there are 6 Interaction codes for Community factor status and 12 Interaction codes for Institutional factor status.

- The new Disease Interactions include Cancer Immune disorders & Sepsis/Cardio Respiratory Failure under the Community Factor status.
In an effort to “Ease the Pain” faced by MA plans with the new HCC Model 22, CMS will be blending the risk scores for Payment Year 2014. CMS will take a member and calculate the risk score using PY2013 Model 12 and also calculate the risk score using the new PY2014 Model 22 each appropriately normalized.

The normalized risk scores will then be blended using 25% of PY2013 Model 12 risk score and 75% PY2014 Model 22 risk score. In the next 2 slides you will see an actual example of this blended model.

In the next couple of weeks, using your 2012 data, Cognisight will be sending out Client specific forecasting reports in the PY2014 Blended Model format. This should aid you when completing your 2014 Bid Rate Submissions.

The new Model 22 will be fully phased-in by January 1, 2015.
## Example of Blended Risk Score

<table>
<thead>
<tr>
<th>ICD-9 codes that map to an HCC accepted by CMS in 2013</th>
<th>Model 12 Factor Code</th>
<th>Model 22 Factor Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diabetes II w/o complications</td>
<td>25000</td>
<td>19</td>
</tr>
<tr>
<td>Diabetes w/ neurological manifestations</td>
<td>25060</td>
<td>16</td>
</tr>
<tr>
<td>Major depressive disorder, single episode</td>
<td>29620</td>
<td>55</td>
</tr>
<tr>
<td>Polyneuropathy in diabetes</td>
<td>3572</td>
<td>71</td>
</tr>
<tr>
<td>Diabetic Retinopathy</td>
<td>36201</td>
<td>18</td>
</tr>
<tr>
<td>Peripheral vascular disease, unspecified</td>
<td>4439</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td></td>
<td>108</td>
</tr>
</tbody>
</table>
### Example of Blended Risk Score—Continued

<table>
<thead>
<tr>
<th>Model 12 Factor Type</th>
<th>Model 12 Factor Code</th>
<th>Model 12 HCC Description</th>
<th>Model 12 Weight</th>
<th>Model 22 Factor Type</th>
<th>Model 22 Factor Code</th>
<th>Model 22 HCC Description</th>
<th>Model 22 Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCC</td>
<td>16</td>
<td>Diabetes with Neurologic or Other Specified Manifestation</td>
<td>0.371 HCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCC</td>
<td>55</td>
<td>Major Depressive, Bipolar, and Paranoid Disorders</td>
<td>0.36 HCC</td>
<td></td>
<td></td>
<td>Major Depressive, Bipolar, and Paranoid Disorders</td>
<td>0.33</td>
</tr>
<tr>
<td>HCC</td>
<td>71</td>
<td>Polyneuropathy</td>
<td>0.321</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCC</td>
<td>105</td>
<td>Vascular Disease</td>
<td>0.302 HCC</td>
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<td>108</td>
<td>Vascular Disease</td>
<td>0.299</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>Total</td>
<td>0.997</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Normalization Factor</td>
<td>1.041</td>
<td></td>
<td>Normalization Factor</td>
<td>1.026</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>Normalized Risk Score</td>
<td>1.301</td>
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<td>Normalized Risk Score</td>
<td>0.972</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>25% of Normalized Risk Score</td>
<td>0.325</td>
<td></td>
<td>75% of Normalized Risk Score</td>
<td>0.729</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Total 2014 HCC Based Risk Score</td>
<td>1.054</td>
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</tr>
</tbody>
</table>
The RxHCC Model has also changed. The final 2014 Normalization Factor for the RxHCC Model is 1.030.

CMS will be recalibrating the RxHCC model yearly.

The **Prospective** coding has been modified to accommodate Blended Model 12 and Model 22. There are 506 ICD-9 codes that do not map to a Medical HCC but do map to an RxHCC. These will be captured while coding the Prospective Assessments. Cognisight does not currently code for stand alone Rx HCC’s while performing retrospective chart reviews.
Next Steps

- When preparing your PY2014 Bid Rates please take these Model 22 changes into consideration.

- When coding for 2013 encounters, if you cannot code to a higher specificity such as CKD, using Model 22, remember you will be receiving 25% of your risk scores from Model 12. Continue to code with that in mind.

- Work with your providers-MA requires all diagnoses that affect treatment in the review year be submitted once within each calendar year. (This is especially important when there is a condition that may not necessarily be treated actively, however the condition exists and does impact the treatment planning of other conditions).
Questions

- Please feel free to ask any questions that you may have.
- If you would like to email me, my address is: jbrownyard@cognisight.com or call me at (585)662-4285

Thank you!