

Latest News for Medicare Advantage Plans

April 5, 2016

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Final Call Letter Risk Adjustment Highlights

On 4/04, CMS released the Final Notice of Methodological Changes for CY 2017 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies. Please note that risk adjustments are impacted. This document highlights the salient items affecting risk adjustments.

Model Changes

The current model, V.22, will not change with the exception of the following:

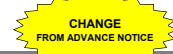
- ◆ Changes to community states for Duals and partial Duals
- ◆ Originally shared on 11/03/15:

	2014 Model	Revised Model
Segments	2 full risk segments: - Institutional - Community	7 full risk segments: - Institutional - Community: ⇒ Full benefit dual aged ⇒ Full benefit dual disabled ⇒ Partial benefit dual aged ⇒ Partial benefit dual disabled ⇒ Non dual aged ⇒ Non dual disabled
Dual status for full risk beneficiaries	Base year	Payment year
HCCs	79 HCCs in Model V.22	Same 79 HCCs as 2014 Model V.22

- ◆ Separate coefficients for each segment
⇒ Note: CMS is in the process of developing technical specs regarding implementation of changes made to the Duals (MMR and other reports); details will be released *after* the Final Call Letter
- ◆ The institutional segment will now be measured concurrently (based on payment year status); this change is to be consistent with the changes noted above
- ◆ RX HCC model and member categories will remain the same, however, the weights (coefficients) will change

Formula Factor Changes

Factor	Current	New	Impact
MA Coding Adjustment	-5.41%	-5.66%	Negative
Normalization: 2014 Model 22	0.992	0.998	Negative
ESRD Dialysis	0.990	0.994	Negative
Functioning Graft	1.042	1.051	Negative



Cognisight will model the impacts for clients using 2015 data now that the Final Call Letter has been released.

Disease-Disease Interactions (DDIs)

All of the community model segments will have six DDIs with one additional DDI for the three disabled segments.

- ◆ Substance Abuse x Psychiatric
- ◆ In addition, Sepsis x Cardiorespiratory Failure will be replaced with CHF x Specific Heart Arrhythmias

Risk Adjustments from In-Home Assessments

There was no information regarding changes.



Encounter Data as a Diagnoses Source for 2017

The 2017 risk score will be calculated by blending and weighting:

- ◆ 2016 dates of service from RAPS and FFS (75%)
- ◆ 2016 dates of service from EDS and FFS (25%)

County Update

The county provided by the Social Security Administration will be used rather than the current method of using the beneficiaries mailing address zip code. ■

For more information on the final regulations outlined here, please visit: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2017.pdf>

Cognisight,™ LLC is a leading health care solutions provider, specializing in risk adjustment services for Medicare Advantage plans, Issuers on and off the Health Insurance Exchange, PACE programs, and Medicaid Managed Care plans. Our mission is simple: capture the most accurate and complete information to help ensure our clients have the best information to care for their members.

As HCC risk adjustment experts, we enable our clients to improve the quality of health care they deliver while maximizing efficiency and assuring accurate revenue. Our continuum of comprehensive risk adjustment services include:

- Cognisight DX™ Analytics
- Retrospective/Concurrent Chart Reviews
- Health Risk Assessments
- RADV/IVA
- Risk Verification
- Provider & Coder Training

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We're pleased to bring you this important insight.

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