



Latest News for PACE Programs

February 3, 2017

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Advance Call Letter Risk Adjustment Highlights

On 02/02, CMS released the Advance Notice of Methodological Changes for CY 2018 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies, and 2018 Call Letter. This document highlights the proposed salient items effecting risk adjustments.

Proposed Model Changes

Medical HCCs

There does not appear to be any proposed medical HCC model changes, including HCC changes or their relative factors/coefficients.

Rx HCCs

The 2018 model will encompass the following changes:

- ◆ Update to reflect the 2018 benefit structure
- ◆ Updates to the data years used to calibrate the model
- ◆ Recalibration of the model for payment year 2018 using diagnoses from FFS and MA-PD beneficiaries enrolled in a Part D plan to predict 2015 expenditures
- ◆ Factor changes

Frailty Factor

There was no information regarding proposed changes.

Proposed Formula Factor Changes

Factor	Current	New	Impact
MA Coding Adjustment	-5.66%	-5.91%	Negative
Normalization	1.051	1.082	Negative
ESRD Dialysis	0.994	1.080	Negative
Functioning Graft	1.051	1.82	Negative

Encounter Data as a Diagnoses Source for 2018

The same method of calculating risk scores as used for PY 2017 will continue.

HICN Phase Out

This is a reminder that beginning in 2018 the current Social Security based HICN will be replaced with a Medicare Beneficiary Identification number (MBI). MBIs will be assigned to all Medicare recipients, and cards will be mailed to beneficiaries beginning no earlier than April 2018.

Comment Period

Comments must be received by 6:00 PM Eastern Standard Time on Friday, March 3, 2017. ■

For more information on the final regulations outlined here, please visit:

<https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Announcements-and-Documents-Items/2018Advance.html?DLPage=1&DLEntries=10&DLSort=2&DLSortDir=descending>

Cognisight, TMLLC 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 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:

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- Chart Reviews
- RADV Support
- Risk Verification

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We're pleased to bring you this important insight.

Should you have any questions about this information, please do not hesitate to contact your Cognisight Account Manager or:

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