

Latest News for Medicare Advantage Plans

April 4, 2017

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Final Call Letter Risk Adjustment Highlights

Yesterday, CMS released the Final Notice of Methodological Changes for Calendar Year 2018 for Medicare Advantage Capitation Rates, Part C and Part D Payment Policies, and 2018 Advanced Call Letter. This document highlights the salient items affecting risk adjustments.

Encounter Data as a Diagnosis Source for 2018

The 2018 risk score will change:

- ◆ 2017 dates of service from RAPS and FFS (85%)
- ◆ 2017 dates of service from EDS and FFS (15%¹)

¹CMS will not apply an adjustment



Model Changes

Medical HCCs—No medical HCC model changes.

Rx HCCs—2018 model changes include:

- ◆ Updates 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 2014 FFS and MA-PD beneficiaries enrolled in a Part D plan to predict 2015 expenditures
- ◆ Normalization factor change to 1.005 and other factor changes



Formula Factor Changes

Factor	Current	New	Impact
MA Coding Adjustment	-5.66%	-5.91%	Negative
Normalization: Model 22	0.998	1.017	Negative
ESRD Dialysis: Model 21	0.994	1.015	Negative
Functioning Graft	1.051	1.082	Negative

Cognisight will model the impacts for clients using 2016 data after the retrospective review has been completed.

Risk Adjustments from In-Home Assessments

There was no information regarding changes.

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.

Request for Information

CMS is soliciting ideas for regulation, policy, practice, and procedural changes to better maintain benefit flexibility, transparency, and program stabilization. Feedback will be accepted via email—with the subject line “2017 Transformation Ideas”—to PartCDcomments@cms.hhs.gov now through April 24, 2017.

For more information on the final regulations outlined here, please visit the URL below and select “2018 Announcement.”

<https://www.cms.gov/Medicare/Health-Plans/MedicareAdvqtqSpecRateStats/Announcements-and-Documents.html>

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 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:

- Analytics
- Health Assessments
- IVAs
- Provider & Coder Training
- 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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