



2012 Regional Technical Assistance Risk Score Calculation Workbook



Tuesday, August 7, 2012

Risk Adjustment



RISK SCORE CALCULATION WORKBOOK

Purpose

CMS uses the risk adjustment models to calculate a risk score for each beneficiary. Calculation of the risk score requires pulling data from many sources. This workbook provides examples for risk score calculation, including moderately complex, complex, and Part D examples.

Risk Score Calculation Scenarios

With these examples, the Monthly Membership Report (MMR) and Model Output Report (MOR) reports are provided for a beneficiary for the payment month that needs to be reconciled. Following the instructions in Section 3.2 of the Participant Guide, utilize the reports provided and the excerpts of the Payment Announcements provided in the Resource Guide to manually calculate the risk score.

Gather the required information from the reports that are provided for each scenario. Space is provided at the top of each worksheet to collect the relevant information. The few pieces of information that are not provided in the reports is already populated in the example, such as plan type and capitation rate.

Next, use the RAFT code to determine which model was used to calculate the beneficiary's risk score. To determine which model the beneficiary's RAFT code maps to use the job aid "Risk Adjustment Factor Type (RAFT) Codes/Default Risk Factor Codes Crosswalk to Model and Segment"

Use job aid "Part C Normalization and Coding Intensity Factors" to determine the normalization and coding intensity that apply to the calculation and to determine which Announcement year to refer to for the relative factors included in this calculation.

Each scenario in this workbook uses a different model to calculate the risk score. The table of relative factors for each model is available in the Resource Guide. Refer to the Figures section in the Resource Guide for the relative factors from the appropriate Announcements for these scenarios. This is where you will turn to collect the relative factors for the beneficiary's demographic and disease factors. The models used in these scenarios include:

- 2009 CMS-HCC Model for Community and Institutional Enrollees
- 2012 CMS-HCC Model for PACE Enrollees
- 2012 ESRD Model Functioning Graft Factors for Institutionalized Population
- 2013 CMS-HCC Model Relative Factors for Aged and Disabled New Enrollees
- 2013 RxHCC Model Relative Factors for Continuing Enrollees

After determining the relative factors for all of the demographic statuses and HCCs that are relevant to the beneficiary's risk score, use the calculations listed in Section 3.2.5 of the Participant Guide – Part C Risk Score Calculations -- to complete the example.



RISK SCORE CALCULATION WORKBOOK

Risk Score Calculation – Scenario 1

Scenario 1 illustrates the fundamentals of risk score calculation, with no extra statuses and only a few HCCs. Use the risk score calculation guidance in Participant Guide Section 3.2 as a reference to calculate the risk score. Figures A and B display the reports used to calculate the beneficiary’s risk score in Scenario 1.

Figure A – MMR for Scenario 1

```

1RUN DATE:20120610                                MONTHLY MEMBERSHIP REPORT - NON DRUG                                PAGE:      1
PAYMENT MONTH:201207                            PLAN(H9999) PBP(001) SEGMENT(000) SAMPLE REPORT
0
-----REBATES-----
      BASIC PREMIUM | COST SHR REDUC  MAND SUPP BENEFIT  PART D SUPP BENEFIT  PART B BAS PRM REDUC  PART D BAS PRM REDUC
PART A   $0.00      |          $00.00                    $0.00                $0.00                $0.00                $0.00
PART B   $0.00      |          $00.00                    $0.00                $0.00                $0.00                $0.00
0
      S
-----
CLAIM   E AGE STATE  P P      M F      A D      S  C MTHS  PAYMENT DATE  LAG  FTYPE----FACTORS-----  AMOUNT
NUMBER  X GRP  CNTY   A A H E I  C R O D E E O  M A B  START  END  FRAILTY-SCORE  MSP  MSP
-----
SURNAME F  DMG  BIRTH  O T T S R S H I I E O A H R S A PIP  ADJ
      I  RA  DATE  A A B P D T C D L C N U P C P I DCG  REA  FCTR-A  FCTR-B  PART A  PART B  TOTAL PAYMENT
-----
999456789A M 8084 12345 1 1 201207 201207 C $0.00
EXAMPLE F 8084 19281008 Y Y 0 D N 1.5050 1.5050 $564.37 $519.23 $1083.60

```

Figure B – MOR for Scenario 1

```

1RUN DATE: 20120610                                RISK ADJUSTMENT MODEL OUTPUT REPORT                                PAGE:      1
PAYMENT MONTH: 201207                            PLAN: H9999 SAMPLE MOR Report                                RAPMORP1
0
      LAST          FIRST          DATE OF
HIC      NAME          NAME          I          BIRTH  SEX & AGE GROUP  ESRD
-----
999456789A EXAMPLE      FIRST          O          19281008 Male80-84      N
HCC DISEASE GROUPS: HCC010 Breast, Prostate, Colorectal and Other Cancers and Tumors
HCC019 Diabetes without Complication
HCC038 Rheumatoid Arthritis and Inflammatory Connective Tissue Disease
HCC131 Renal Failure

```




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Scenario 1 Answer

HIC:	999456789A
Age:	80-84
Sex:	M
Medicaid:	<Blank>
OREC:	0
Frailty Indicator:	<Blank>
Part C LTI:	<Blank>
RAFT Code:	C
HCCs from MOR:	10, 19, 38, 131
Payment Year:	2012
Risk Adjustment Model	2009 CMS-HCC
Plan Monthly Capitated Payment:	\$720.00

	Factors
Normalization Factor:	1.079
Coding Intensity Factor:	0.0341
Frailty Factor:	0

	Status	Factors
Age/Sex Factor:	M 80-84	0.597
Medicaid Factor:	0	0
Disability Factor:	0	0
Sum of Demographic Coefficients:		0.597

	Coefficients	Factors
Disease HCCs:	10	0.208
	19	0.162
	38	0.346
	131	0.368
Sum of Disease Coefficients:		1.084

Sum of all Factors:	1.681	$0.597 + 1.084 = 1.681$
Normalized Score:	1.558	$1.681 / 1.079 = 1.5579$ (rounded = 1.558)

With Coding Intensity Factor:	1.505	$1.558 * (1 - 0.0341) = 1.5048$ (rounded = 1.505)
With Frailty:	N/A	
Monthly Payment:	\$1,083.60	$1.505 * 720.00 = 1,083.60$



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Level 2 Risk Score Calculation – Scenario 2

Scenario 2 is a moderate example, with only two additional statuses to take into account. Figures C and D display the reports to be used to calculate the beneficiary’s risk score in Scenario 2. While this example is for a PACE plan, the concepts of the calculations and reports apply to all MA plans.

Figure C – MMR for Scenario 2

```

1RUN DATE:20120610          MONTHLY MEMBERSHIP REPORT - NON DRUG          PAGE:          1
PAYMENT MONTH:201207      PLAN(H9999) PBP(001) SEGMENT(000) SAMPLE REPORT
0          ----- REBATES -----
          BASIC PREMIUM | COST SHR REDUC  MAND SUPP BENEFIT  PART D SUPP BENEFIT  PART B BAS PRM REDUC  PART D BAS PRM REDUC
          PART A   $0.00 |          $00.00          $0.00          $0.00          $0.00          $0.00
          PART B   $0.00 |          $00.00          $0.00          $0.00          $0.00          $0.00
0          S          ----- FLAGS -----          ----- PAYMENTS/ADJUSTMENTS -----
CLAIM      E AGE STATE  P P      M F  A D  S  C MTHS  PAYMENT DATE  LAG  FTYPE----FACTORS-----  AMOUNT
NUMBER     X GRP  CNTY  A A H E I  C R O D E E O  M A B  START  END          FRAILTY-SCORE  MSP  MSP
----- X -----  O R R O S N N A A R D F G U M C -----
SURNAME F  DMG  BIRTH  O T T S R S H I I E O A H R S A PIP  ADJ
I  RA  DATE  A A B P D T C D L C N U P C P I DCG  REA  FCTR-A  FCTR-B  PART A  PART B  TOTAL PAYMENT
-----
999567891A F 6064 12345          1 1  201207 201207          C  0.083          $0.00
EXAMPLE S  6064 19481027  Y Y          Y Y 1  B  N  1.5600  1.5600  $585.00  $538.20  $1123.20
  
```

Figure D – MOR for Scenario 2

```

1RUN DATE: 20120610          RISK ADJUSTMENT MODEL OUTPUT REPORT          PAGE:          1
PAYMENT MONTH: 201207      PLAN: H9999 SAMPLE MOR Report          RAPMORP1
0          LAST          FIRST          DATE OF
HIC          NAME          NAME          I          BIRTH  SEX & AGE GROUP  ESRD
-----
999567891A  EXAMPLE  SECOND          E          19481027  Female60-64  N
Medicaid Female Disabled (Age<65)
HCC DISEASE GROUPS:  HCC051 Dementia With Complications
                   HCC057 Schizophrenia
  
```



RISK SCORE CALCULATION WORKBOOK

Scenario 2 Worksheet

HIC: 999567891A
 Age: _____
 Sex: _____
 Medicaid: _____
 OREC: _____
 Frailty Indicator: _____
 Part C LTI: _____
 RAFT Code: _____
 HCCs from MOR: _____
 Payment Year: _____
 Risk Adjustment Model: 2012 PACE
 Plan Monthly Capitated Rate: \$720.00

Factors

Normalization Factor: _____
 Coding Intensity Factor: _____
 Frailty Factor: _____

Status

Factors

Age/Sex Factor: _____
 Medicaid Factor: _____
 Disability Factor: _____

Coefficients

Factors

Disease HCCs: _____

Demographic Factors + Diagnostic Coefficients = Raw Risk Score

Sum of Factors: + = _____

Raw Risk Score / Normalization Factor = Normalized Risk Score

Normalized Score: / = _____ Rounded = _____

Normalized Risk Score (1 - Coding Difference Adjustment) = Risk Score

With Coding Intensity Factor: X (1 -) = _____ Rounded = _____

Risk score + Frailty Factor = Risk Score with Frailty

With Frailty (if applicable): + = _____

Risk Score X Monthly Capitation Rate = Risk Adjusted Payment

Risk Adjusted Payment: X = _____



RISK SCORE CALCULATION WORKBOOK

Scenario 2 Answer

HIC:	999567891A
Age:	63
Sex:	F
Medicaid:	Y
OREC:	1
Frailty Indicator:	Y
Part C LTI:	<Blank>
RAFT Code:	C
HCCs from MOR:	51, 57
Payment Year:	2012
Risk Adjustment Model:	2012 PACE
Plan Monthly Capitated Payment:	\$720.00

	Factors
Normalization Factor:	1.051
Coding Intensity Factor:	0.0341
Frailty Factor:	0.083

	Status	Factors
Age/Sex Factor:	F 60-64	0.416
Medicaid Factor:	1	0.104
Disability Factor:	1	0 (age<65)
Sum of Demographic Coefficients:		0.520

	Coefficients	Factors
Disease HCCs:	51	0.616
	57	0.471
Sum of Disease Coefficients:		1.087

Sum of all Factors:	1.607	$0.520 + 1.087 = 1.607$
Normalized Score:	1.529	$1.607 / 1.051 = 1.5290$ (rounded = 1.529)

With Coding Intensity Factor:	1.477	$1.529 * (1 - 0.0341) = 1.4768$ (rounded = 1.477)
With Frailty:	1.560	$1.477 + 0.083 = 1.560$
Monthly Payment:	\$1,123.20	$1.560 * 720.00 = 1,123.20$



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Level 3 Risk Score Calculation – Scenario 3

Scenario 3 requires retrieving multiple factors, refer to Section 3.2 for the risk score calculation process. Figures E and F display the reports used to calculate the beneficiary's risk score in Scenario 3.

Figure E – MMR for Scenario 3

```

1RUN DATE:20130610                                MONTHLY MEMBERSHIP REPORT - NON DRUG                                PAGE:      1
PAYMENT MONTH:201307                            PLAN(H9999) PBP(001) SEGMENT(000) SAMPLE REPORT
0
-----REBATES-----
BASIC PREMIUM | COST SHR REDUC  MAND SUPP BENEFIT  PART D SUPP BENEFIT  PART B BAS PRM REDUC  PART D BAS PRM REDUC
PART A $0.00 | $00.00 $0.00 $0.00 $0.00 $0.00
PART B $0.00 | $00.00 $0.00 $0.00 $0.00 $0.00
0
S ----- FLAGS ----- PAYMENTS/ADJUSTMENTS -----
CLAIM E AGE STATE P P M F A D S C MTHS PAYMENT DATE LAG FTYPE-----FACTORS----- AMOUNT
NUMBER X GRP CNTY A A H E I C R O D E E O M A B START END FRAILTY-SCORE MSP MSP
-----
SURNAME F DMG BIRTH O T T S R S H I I E O A H R S A PIP ADJ
I RA DATE A A B P D T C D L C N U P C P I DCG REA FCTR-A FCTR-B PART A PART B TOTAL PAYMENT
-----
999678912A F 7074 12345 1 1 201307 201307 I2 $0.00
EXAMPLE T 7074 19390210 Y Y Y Y Y 3 B N 3.2970 3.2970 $1286.06 $1087.78 $2373.84
999678912A F 7074 12345 RISK ADJ FAC 6 6 201301 201306 I2 $0.00
EXAMPLE T 7074 19390210 Y Y Y Y Y 3 B N 26 3.2970 3.2970 $7716.33 $6526.71 $14243.04

```

Figure F – MOR for Scenario 3

```

1RUN DATE: 20130610                                RISK ADJUSTMENT MODEL OUTPUT REPORT                                PAGE:      1
PAYMENT MONTH: 201307                            PLAN: H9999 SAMPLE MOR Report                                RAPMORP1
0
LAST FIRST I DATE OF
HIC NAME NAME I BIRTH SEX & AGE GROUP ESRD
-----
999678912A EXAMPLE THIRD F 19390210 Female70-74 Y
Medicaid Female Aged (Age>64)
Originally Disabled Female Aged (Age>64)
HCC DISEASE GROUPS: HCC017 Diabetes with Acute Complications
HCC085 Congestive Heart Failure
HCC111 Chronic Obstructive Pulmonary Disease
INTERACTIONS: CHF COPD
DIABETES_CHF

```



RISK SCORE CALCULATION WORKBOOK

Scenario 3 Worksheet

HIC: 999678912A
 Age: _____
 Sex: _____
 Medicaid: _____
 OREC: _____
 Frailty Indicator: _____
 Part C LTI: _____
 RAFT Code: _____
 HCCs from MOR: _____
 Payment Year: _____
 Risk Adjustment Model: _____
 Plan Monthly Capitated Rate: \$720.00

Factors

Normalization Factor: _____
 Coding Intensity Factor: _____
 Frailty Factor: _____

Status

Factors

Age/Sex Factor: _____
 Medicaid Factor: _____
 Disability Factor: _____

Coefficients

Factors

Disease HCCs: _____

Demographic Factors + Diagnostic Coefficients = Raw Risk Score

Sum of Factors: + = _____

Raw Risk Score / Normalization Factor = Normalized Risk Score

Normalized Score: / = _____ Rounded = _____

Normalized Risk Score (1 - Coding Difference Adjustment) = Risk Score

With Coding Intensity Factor: X (1 -) = _____ Rounded = _____

Risk score + Frailty Factor = Risk Score with Frailty

With Frailty (if applicable) : + = _____

Risk Score X Monthly Capitation Rate = Risk Adjusted Payment

Risk Adjusted Payment: X = _____



RISK SCORE CALCULATION WORKBOOK

Scenario 3 Answer

HIC:	999678912A
Age:	70-74
Sex:	F
Medicaid:	Y
OREC:	3
Frailty Indicator:	<blank>
Part C LTI:	Y
RAFT Code:	I2
HCCs from MOR:	17, 85, 111, CHF_COPD, DIABETES_CHF
Payment Year:	2013
Risk Adjustment Model:	2012 ESRD Functioning Graft
Plan Monthly Capitated Payment:	\$720.00

Factors

Normalization Factor:	1.070
Coding Intensity Factor:	0.0341
Frailty Factor:	0.000

Status

Factors

Age/Sex Factor:	F 70-74	0.947
Medicaid Factor:	1	0.126
Disability Factor:	3	0.026
Sum of Demographic Coefficients:		1.099

Coefficients

Factors

Disease HCCs:	17	0.434
	85	0.226
	111	0.323
	CHF_COPD	0.159
	DIABETES_CHF	0.143
Graft Factor		1.268
Sum of Disease Coefficients:		2.553

Sum of all Factors:	3.652	$1.099 + 2.553 = 3.652$
Normalized Score:	3.413	$3.652 / 1.070 = 3.4130$ (round = 3.413)

With Coding Intensity Factor:	3.297	$3.413 * (1 - 0.0341) = 3.2966$ (rounded = 3.297)
With Frailty:	N/A	
Monthly Payment:	\$2,373.84	$3.297 * 720 = 2,373.84$



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Level 3 Risk Score Calculation – Scenario 4

Scenario 4 requires the default risk factor to calculate a risk score for a new enrollee. Refer to Module 2, Section 2.6.3 of the Participant Guide for guidance on default enrollees. Figures G and H display the reports used to calculate the beneficiary’s risk score in Scenario 4.

Figure G – MMR for Scenario 4

```

1RUN DATE:20130610          MONTHLY MEMBERSHIP REPORT - NON DRUG          PAGE:          1
PAYMENT MONTH:201307      PLAN(H9999) PBP(001) SEGMENT(000) SAMPLE REPORT
0          ----- REBATES -----
          BASIC PREMIUM | COST SHR REDUC  MAND SUPP BENEFIT  PART D SUPP BENEFIT  PART B BAS PRM REDUC  PART D BAS PRM REDUC
          PART A    $0.00 |    $00.00          $0.00          $0.00          $0.00          $0.00          $0.00
          PART B    $0.00 |    $00.00          $0.00          $0.00          $0.00          $0.00          $0.00
0          S          ----- FLAGS -----          ----- PAYMENTS/ADJUSTMENTS -----
CLAIM      E AGE STATE  P P      M F  A D  S  C MTHS  PAYMENT DATE  LAG  FTYPE-----FACTORS-----          AMOUNT
NUMBER     X GRP  CNTY   A A H E I  C R O D E E O  M A B  START  END          FRAILTY-SCORE  MSP          MSP
----- X -----  O R R O S N N A A R D F G U M C -----
SURNAME F  DMG BIRTH  O T T S R S H I I E O A H R S A PIP  ADJ
I          RA  DATE   A A B P D T C D L C N U P C P I DCG  REA  FCTR-A  FCTR-B          PART A          PART B          TOTAL PAYMENT
-----
999891234A F 6565 12345          1 1          201307 201307          $0.00
EXAMPLE F  6565 19471027  Y Y          0 1  B  N          0.4730 0.4730          $177.38          $163.18          $340.56
  
```

Figure H – MOR for Scenario 4

```

1RUN DATE: 20130610          RISK ADJUSTMENT MODEL OUTPUT REPORT          PAGE:          1
PAYMENT MONTH: 201307      PLAN: H9999 SAMPLE MOR Report          RAPMORP1
0          LAST          FIRST          DATE OF
HIC          NAME          NAME          I          BIRTH  SEX & AGE GROUP  ESRD
-----
  
```



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When an enrollee has a New Enrollee RAFT code or Default Risk Factor Code, the plan sponsor can check MARx to verify whether an enrollee has a full data collection year of diagnosis data collected under Medicare Part B. Figure I shows what MARx screen M232 could display for a beneficiary in default status during the payment month of July, 2013.

Figure I – MARx Screen Beneficiary: Eligibility (M232) for HIC 999891234A

Enrollment Information for 08/07/2013			
Contract	Start	Drug Plan	
H9999	03/01/2013	Y	

Entitlement Information			
Part	Start	End	Option
A	03/01/2013		E
B	03/01/2013		Y

Eligibility Information		
Part	Start	End
D	03/01/2013	

If a beneficiary has a full data collection year of Part B enrollment and a New Enrollee RAFT code or Default Risk Factor Code, then the plan may check for a change in beneficiary status that would cause a change in model used to calculate the risk score between model runs. Under these circumstances, depending on the timing, the beneficiary should have a full risk RAFT code assigned in the following model run.



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Scenario 4 Worksheet

HIC: 999891234A
 Age: _____
 Sex: _____
 Medicaid: _____
 OREC: _____
 Frailty Indicator: _____
 Part C LTI: _____
 RAFT Code: _____
 HCCs from MOR: _____
 Payment Year: _____
 Risk Adjustment Model: _____
 Plan Monthly Capitated Rate: \$720.00

	Factors	
Normalization Factor:	_____	
Coding Intensity Factor:	_____	
Frailty Factor:	_____	
	Status	Factors
Age/Sex Factor:	_____	_____
Medicaid Factor:	_____	_____
Disability Factor:	_____	_____
	Coefficients	Factors
Disease HCCs:	_____	_____
	_____	_____
	_____	_____
	_____	_____

Demographic Factors + Diagnostic Coefficients = Raw Risk Score
 Sum of Factors: + = _____

Raw Risk Score / Normalization Factor = Normalized Risk Score
 Normalized Score: / = _____ Rounded = _____

Normalized Risk Score (1 - Coding Difference Adjustment) = Risk Score
 With Coding Intensity Factor: X (1 -) = _____ Rounded = _____

Risk score + Frailty Factor = Risk Score with Frailty
 With Frailty (if applicable): + = _____

Risk Score X Monthly Capitation Rate = Risk Adjusted Payment
 Risk Adjusted Payment: X = _____



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Scenario 4 Answer

HIC:	999891234A
Age:	65
Sex:	F
Medicaid:	<blank>
OREC:	<blank>
Frailty Factor:	<blank>
Part C LTI:	<blank>
RAFT Code:	1 (Default)
HCCs from MOR:	Beneficiary Not on MOR
Payment Year:	2013
Risk Adjustment Model:	2013 CMS-HCC
Plan Monthly Capitated Payment:	\$720.00

	Factors
Normalization Factor:	1.028
Coding Intensity Factor:	0.0341
Frailty Factor:	0.000

	Status	Factors
Age/Sex Factor:	F 65-65	0.504
Medicaid Factor:	0	0
Disability Factor:	0	0
Sum of Demographic Coefficients:		0.504

	Coefficients	Factors
Disease HCCs:	N/A	0.000
Sum of Disease Coefficients:		0.000

Sum of all Factors: 0.504
 Normalized Score: 0.490 $0.504 / 1.028 = 0.4902$ (rounded = 0.490)

With Coding Intensity Factor: 0.473 $0.490 * (1 - 0.0341) = 0.4732$ (rounded = 0.473)

With Frailty: N/A

Monthly Payment: \$340.56 $0.473 * 720.00 = 340.00$



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Scenario 5 Worksheet

HIC: 999912345A
 Age: _____
 Sex: _____
 Disability: _____
 LTI: _____
 Low Income: _____
 Part D RAFT Code: D1 (Field 87 on MMR data file)
 Rx-HCCs from MOR: _____
 Payment Year: _____
 Risk Adjustment Model: _____
 Part D Monthly Rate: \$120.00

	Factors	
Normalization Factor:	_____	
	Status	Factors
Age/Sex Factor:	_____	_____
Disability Factor:	_____	_____
	Coefficients	Factors
Disease Rx-HCCs:	_____	_____
	_____	_____
	_____	_____

Demographic Factors + Diagnostic Coefficients = raw risk score

Sum of Factors: + = _____

Raw risk score / Normalization Factor = normalized risk score

Normalized Score: / = _____ Rounded = _____

Risk Score X Monthly Part D Rate = Risk Adjusted Payment

Risk Adjusted Payment: X = _____



RISK SCORE CALCULATION WORKBOOK

Scenario 5 Answer

HIC:	999912345A
Age:	80-84
Sex:	Female
Disability:	Y
LTI:	<blank>
Low Income:	<blank>
Part D RAFT Code:	D1
Rx-HCCs from MOR:	11, 23, 87, 89
Payment Year:	2013
Model Segment:	2013 RxHCC Continuing Enrollees
Direct Subsidy Monthly Rate:	\$120.00

	Factors
Normalization Factor:	1.034

	Status	Factors
Age/Sex Factor:	F 80_84	0.404
Disability Factor:	Y	0.070
Sum of Demographic Coefficients:		0.474

	Coefficients	Factors
Disease Rx-HCCs:	11	0.031
	23	0.104
	87	0.163
	89	0.155
Sum of Disease Coefficients:		0.453

Sum of Factors:	0.927	$0.474 + 0.453 = 0.927$
Normalized Score:	0.897	$0.927 / 1.034 = 0.8965$ (rounded = 0.897)
Risk Adjusted Payment:	\$107.64	$0.897 * 120 = 107.64$