Risk Adjustment Methodology Series

2024 Calendar Year Updates and Guided Practice

Mr. Carter
Part C

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Table of Contents

Introduction

Welcome to Module 5 of the Risk Adjustment Methodology series.

To access modules 1 through 4 in this series, please select COURSE LINKS and then the Risk Adjustment Methodology Series link.

In Module 5 we will highlight changes that were made to risk score calculations for calendar year 2024, and briefly review what has not changed.

Using scenario-based learning, we will walk through the four-step process of calculating the risk score for a Part C beneficiary who is not in End-Stage Renal Disease (or ESRD) or in a Program for All Inclusive Care for the Elderly (or PACE) plan and is enrolled in a Medicare Advantage plan for calendar year 2024. You will also be given the opportunity, within this same scenario, to practice calculating a risk score by completing a guided practice learning activity.

Please note that if you are new to calculating risk scores, you should review additional scenarios involving Part C ESRD, Part C PACE, and Part D beneficiary calculations found in Modules 3 and 4 of this series.
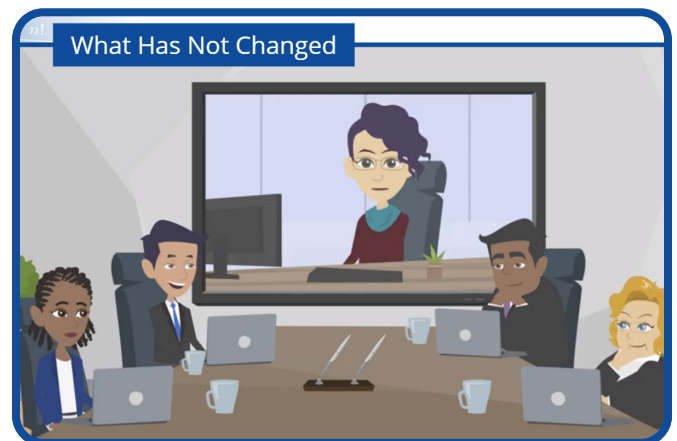
Select the NEXT button to continue.

2024 Payment Year Updates
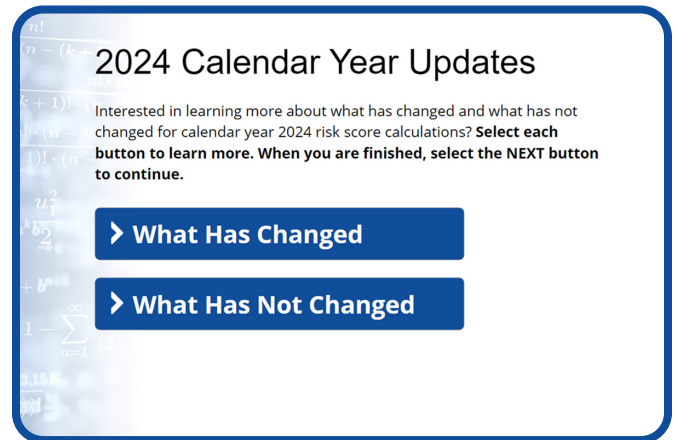
Interested in learning more about what has changed and what has not changed for calendar year 2024 risk score calculations?

Select each button to learn more. When you are finished, select the NEXT button to continue.

What Has Not Changed

There are five risk adjustment models that will remain unchanged for calendar year 2024.

Let's now review each of these models and their associated policies.

Part C CMS-HCC Model for PACE Organizations

For calendar year 2024, CMS will continue to use the 2017 CMS-HCC model to calculate risk scores for PACE participants using diagnoses pooled from encounter data, the Risk Adjustment Processing System, or RAPS, and fee-for-service claims.

Since there is no change in the risk adjustment model or risk score calculation methodology for PACE organizations, CMS will continue to use the same report record types for the Model Output Reports and Monthly Membership Reports that have been used in previous years.

ESRD Model for non-PACE Organizations

For calendar year 2024, CMS will also continue to use the 2023 CMS-HCC ESRD risk adjustment model to calculate non-PACE risk scores for ESRD beneficiaries.

The 2023 ESRD risk adjustment model will be used at 100 percent, and risk scores will use diagnoses from encounter data and fee-for-service.

For more details about the 2023 ESRD risk adjustment model calibration you can refer to the 2023 Advance Notice and Rate Announcement. All plan payment report record types will be consistent with 2023.

In 2022 CMS released information about the new Model Output Report and new Monthly Membership Report factor type codes for the 2023 ESRD model. For operational information about the implementation and the new report details please refer to the HPMS memo released on October 4, 2022, entitled, "Information on 2023 CMS-HCC ESRD Risk Adjustment Model and Updates to Monthly Membership (MMR) and Model Output Reports (MORs)."

ESRD Model for PACE Organizations

The 2019 CMS-HCC ESRD model will also continue to be used to calculate risk scores for ESRD beneficiaries participating in PACE organizations for calendar year 2024, with diagnoses pooled from encounter data, RAPS, and fee-for-service claims.

Again, there will be no changes to payment reports. For information about the 2019 ESRD model, please refer to the 2019 Advance Notice and Rate Announcement.

RxHCC (Part D) Model for non-PACE Organizations

For calendar year 2024, CMS will continue to use the 2023 RxHCC risk adjustment model to calculate risk scores for Part D beneficiaries in organizations other than PACE.

Risk scores will be calculated using 100 percent of the 2023 RxHCC model and diagnoses from encounter data and fee-for-service claims.

For more information about the 2023 RxHCC model you can review model calibration details in the 2023 Advance Notice and Rate Announcement.

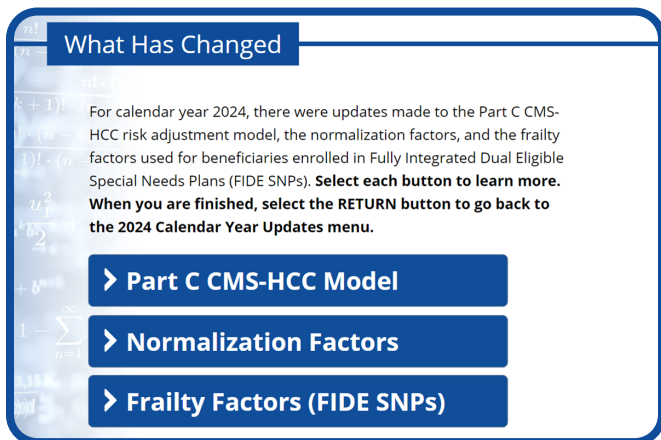## RxHCC (Part D) Model for PACE Organizations

Lastly, for calendar year 2024 CMS will continue to use the 2020 RxHCC model, with diagnoses pooled from encounter data, RAPS, and fee-for-service claims.

Again, there are no changes to the model, risk score calculation methodology, or reports in 2024 for PACE Part D relative to 2023.

For more information on 2024 Risk Adjustment Policies, please reference the 2024 Advance Notice and 2024 Rate Announcement.

Select the RETURN button to go back to the 2024 Calendar Year Updates menu.

What Has Changed

What Has Changed

For calendar year 2024, there were updates made to the Part C CMS-HCC risk adjustment model, the normalization factors, and the frailty factors used for beneficiaries enrolled in Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs). **Select each button to learn more. When you are finished, select the RETURN button to go back to the 2024 Calendar Year Updates menu.**

> **Part C CMS-HCC Model**

> **Normalization Factors**

> **Frailty Factors (FIDE SNPs)**

For calendar year 2024, only the Part C CMS-Hierarchical Condition Categories (or HCC) risk adjustment model for non-ESRD and non-PACE beneficiaries had updates. In addition, there were updates to the normalization factors for each model, and to the frailty factors used to calculate frailty scores for beneficiaries enrolled in Fully Integrated Dual Eligible Special Needs Plans (or FIDE SNPs).

Select each button to learn more. When you are finished, select the RETURN button to go back to the 2024 Calendar Year Updates menu.

Part C CMS-HCC Model

What Has Changed | **Part C CMS-HCC Model**
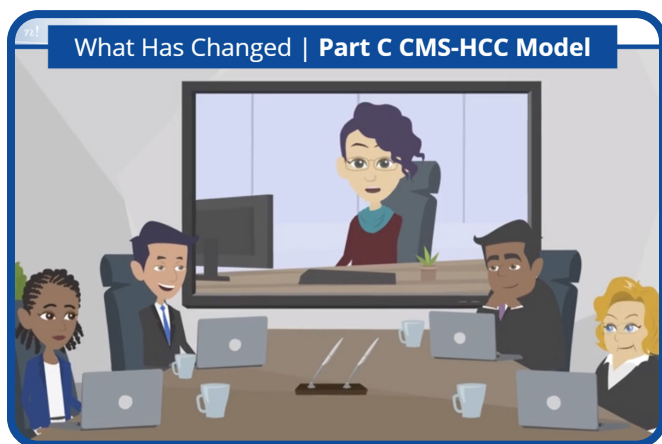
There were several changes made to the Part C CMS-HCC risk adjustment model for calendar year 2024.

First, CMS has updated the underlying data used to calibrate the Part C CMS-HCC model. The updated model uses 2018 diagnoses to predict 2019 expenditures, compared to the 2020 model which uses 2014 diagnoses to predict 2015 expenditures. Using more recent data reflects more recent changes in utilization and cost patterns.

Secondly, the denominator year for the 2024 Part C CMS-HCC model was updated to 2020, compared to the 2020 Part C CMS-HCC model, which uses 2015 as its denominator year.

Thirdly, the 2024 CMS-HCC model includes a clinical revision of the HCCs, using ICD-10 diagnostic codes to create the HCCs for the first time. Previous versions of the CMS-HCC model used ICD-9 codes to create the HCCs. The clinical revision resulted in condition categories increasing from 86 to 115.

This increase in condition categories is due to the greater level of detail in ICD-10 diagnosis codes, allowing for the development of HCCs with increased clinical specificity and validity that better capture clinical and cost differences between conditions.

By reclassifying the model from using ICD-9 to now using ICD-10 codes, risk score calculations will better reflect more recent changes in disease patterns, treatment methods, and coding practices, as well as compositional changes within the Medicare population.

Finally, the 2024 CMS-HCC model was revised to account for variation in coding of some conditions because it was found that the coding of these discretionary conditions is not consistent across the industry and can lead to distortion of the marginal costs estimated by the model.

For calendar year 2024, CMS-HCC risk scores will use diagnoses from encounter data and fee-for-service claims and be calculated as the sum of 33% of the newly implemented 2024 CMS-HCC model risk scores, and 67% of the current 2020 CMS-HCC model risk scores. More on this will be covered later in the module.

Select the RETURN button to go back to the "What Has Changed" menu.

Normalization Factors
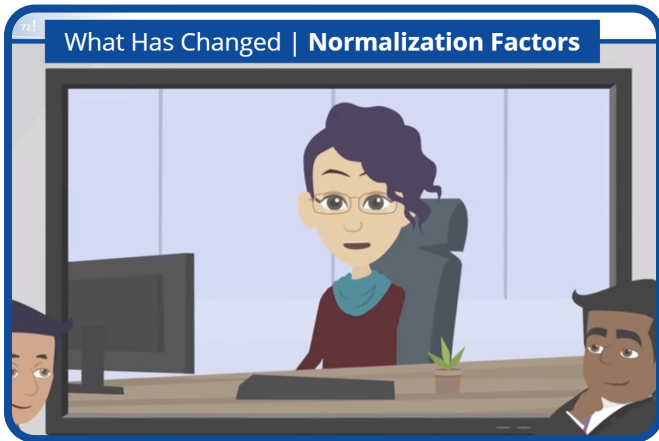
Normalization factors serve to offset the trend in fee-for-service risk scores and maintain a 1.0 average fee-for-service risk score in the payment year.

Each model has a distinct fee-for-service risk score trend and therefore a unique normalization factor.

The 2024 normalization factors were calculated with the long-standing five-year linear slope methodology.

Note, the 2021 fee-for-service risk score (that is based on 2020 diagnosis data) is not included in the five-year linear slope methodology used to calculate the normalization factors for any model.

This is due to concerns that the lower-than-expected 2021 risk score will result in a projection that significantly underestimates what the actual average fee-for-service risk score is likely to be for future years.

For the models with a 2019 or 2020 denominator, the years used in the slope calculation were updated to include the 2022 fee-for-service risk score.

For the models that have a 2015 denominator, the same years are being used in the slope calculation that were used for calendar year 2023. The years were not updated to include the 2022 fee-for-service risk score.

It was observed that when including the 2022 fee-for-service risk score in the slope calculation for models with a 2015 denominator, the resulting normalization factor is lower than the actual 2022 fee-for-service risk score. Such a factor would indi-

cate a projection that the average 2024 fee-for-service risk score will be lower than the current 2022 average fee-for-service risk score.

Select the RETURN button to go back to the "What Has Changed" menu.

Frailty Factors (FIDE SNPs)
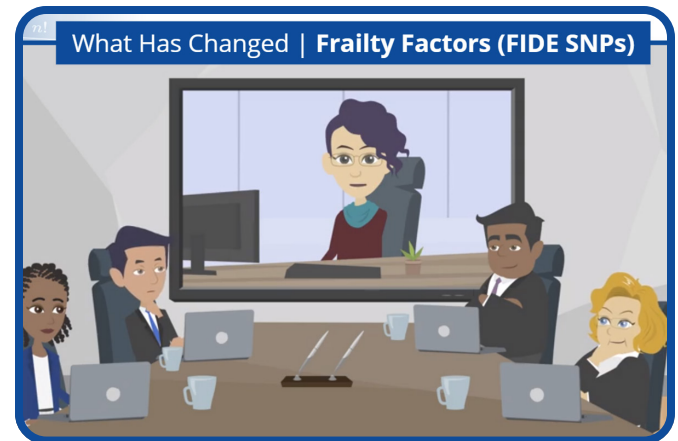
CMS updated frailty factors for beneficiaries enrolled in FIDE SNPs to be in alignment with the updated 2024 Part C CMS-HCC model. Because the frailty adjustment is intended to predict expenditures not captured by the model, the application of the frailty adjustment must be consistent with the model or models used to calculate risk scores for a given calendar year.

Therefore, for calendar year 2024 for FIDE SNPS, CMS will blend frailty scores using the same blend that is being used to calculate risk scores. Specifically, frailty scores for FIDE SNPs will be calculated by blending 67 percent of the frailty score that uses the frailty factors associated with the 2020 CMS-HCC model and 33 percent of the frailty score that uses the frailty factors associated with the updated 2024 CMS-HCC model.

For FIDE SNPs, to be eligible for a frailty adjustment, one of the requirements is that they have a similar average level of frailty as PACE organizations.

Please note, to calculate the PACE minimum threshold that must be met, CMS uses the same frailty factors and applies the same blend that will be used to calculate FIDE SNP frailty scores.

In this way, any changes in FIDE SNP frailty scores will be mirrored in the estimation of the PACE minimum.

Select the RETURN button to go back to the "What Has Changed" menu.

Knowledge Check
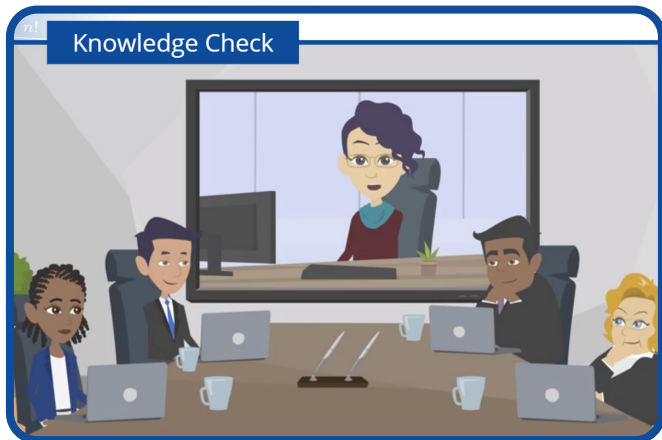
It is now time to check your knowledge on what has been covered so far. Don't worry, this is not graded!

Select the NEXT button to continue.

Which of the following are true statements regarding the risk adjustment methodology for calendar year 2024? Select all that apply.

Which of the following are true statements regarding the risk adjustment methodology for calendar year 2024? **Select all that apply. When done, select Submit.**

☑ The 2024 normalization factors were calculated using CMS's long-standing five-year linear slope methodology.

☑ A new 2024 Part C CMS-HCC model was introduced.

☑ Frailty factors for FIDE SNPs were updated to be in alignment with the updated 2024 Part C CMS-HCC model.

A. The 2024 normalization factors were calculated using CMS's long-standing five-year linear slope methodology.

B. A new 2024 Part C CMS-HCC model was introduced.

C. Frailty factors for FIDE SNPs were updated to be in alignment with the updated 2024 Part C CMS-HCC model.

Correct answer. All three of these statements are true.

The normalization factors were calculated using the five-year linear slope methodology, a new 2024 CMS-HCC model was introduced, and frailty factors for FIDE SNPs were updated to be in alignment with the updated 2024 CMS-HCC model.

Select the Continue button when you have finished reviewing your results.

Knowledge Check 2

Which of the following statements are true? Select all that apply.

Which of the following statements are true? **Select all that apply. When done, select Submit.**

- ☑ CMS updated the underlying data used to calibrate the Part C CMS-HCC model in order to reflect current changes in utilization and cost patterns.
- ☑ The Part C CMS-HCC model has transitioned from having HCCs based on ICD-9 to HCCs based on ICD-10 to better capture clinical and cost differences between conditions.
- ☐ The 2024 CMS-HCC model will contribute 50% to risk scores in calendar year 2024.

Correct answer. CMS updated the underlying data used to calibrate the Part C CMS-HCC model to reflect current changes in utilization and cost patterns. Under this new model, HCCs are now based on ICD-10. The 2024 CMS-HCC model will contribute 33% to risk scores in calendar year 2024. Select the Continue button when you have finished reviewing your results.

Knowledge Check 3

True or False: All models are now using HCCs developed using the ICD-10 classification system.

Select the best answer.

True or False. All models are now using HCCs developed using the ICD-10 classification system. **Select the best answer. When done, select Submit.**

- ○ True
- ⦿ False

Correct answer. This statement is false. CMS clinically revised the HCCs to be based on the ICD-10 rather than the ICD-9 classification system in 2023 for the RxHCC model and in 2024 for the Part C CMS-HCC model. To date, all other models use the ICD-9 classification system.

Select the Continue button when you have finished reviewing your results.

Scenario: Part C

Mr. Carter
Part C Beneficiary

Mr. Carter is now 83 years old and still lives at home.

By using the same beneficiary, this scenario highlights the changes from calendar years prior to 2024 and demonstrates how to calculate a risk score for a Part C beneficiary who is not in ESRD status or part of a PACE plan.
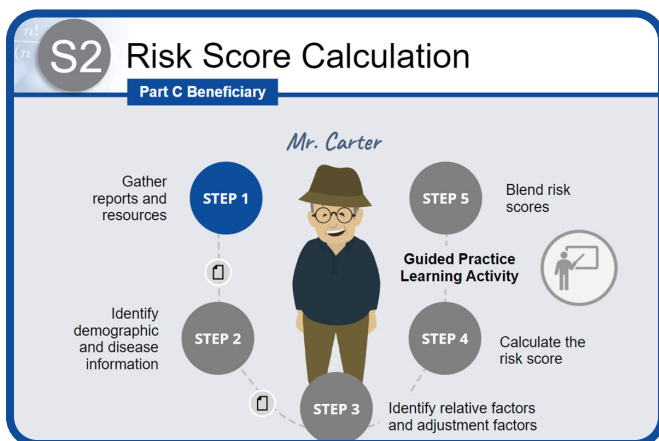
"➜ START SCENARIO

Do you remember Mr. Carter from the scenario that demonstrated the Part C risk score calculation for Calendar Year 2022 in Module 3: Applying the Risk Score Formula of the Risk Adjustment Methodology computer-based training course? He is now 83 years old, and he still lives at home.

By using the same beneficiary, this scenario highlights the changes from calendar years prior to 2024 and demonstrates how to calculate a risk score for a Part C beneficiary who is not in End-Stage Renal Disease (or ESRD) status, or part of a Program of All-Inclusive Care for the Elderly (or PACE) plan.

To begin the process of calculating Mr. Carter's risk score, select the START SCENARIO button.

S2 Risk Score Calculation
Part C Beneficiary

Mr. Carter

- STEP 1 — Gather reports and resources
- STEP 2 — Identify demographic and disease information
- STEP 3 — Identify relative factors and adjustment factors
- STEP 4 — Calculate the risk score
- STEP 5 — Blend risk scores
- **Guided Practice Learning Activity**

Calculating Mr. Carter's risk score for calendar year 2024 is a five-step process; and each step must be taken in consecutive order.

When you have completed all five steps, select the Next button to continue.

Ok; Are you ready to walk through the process of calculating Mr. Carter's risk score?

Select the STEP 1 button to begin.

Step 1: Gather Reports and Resources

STEP 1

Gather Reports and Resources

MENU

Part C Beneficiary

To accurately calculate Mr. Carter's risk score, we will need the following reports and resources:

- Monthly Membership Detail Report (MMR) ⓘ
- Model Output Report (MOR) ⓘ
- Plan Communication User Guide (PCUG) ⓘ
- Annual Rate Announcement(s) ⓘ

To accurately calculate Mr. Carter's risk score, we need to gather all the necessary reports and resources. You can access those resources by selecting the RESOURCES button on the screen.

These reports and resources include the Monthly Membership Detail Report (or MMR), the Model Output Report (or MOR), the Plan Communication User Guide (or PCUG), and the Annual Rate Announcement(s).

Please select the NEXT button to continue.

Monthly Membership Detail Report (MMR)

STEP 1

Gather Reports and Resources

MENU

Part C Beneficiary

To ac... **Monthly Membership Detail Report (MMR)** e
will ne... The Monthly Membership Detail Report (MMR)
provides Plans with beneficiary demographic and
• status information that is used to calculate risk
scores for a specific payment month. We will need
• the data found in this report to complete Step 3 of
• the risk score calculation process.

• Annual Rate Announcement(s)

The Monthly Membership Detail Report (MMR) provides Plans with beneficiary demographic and status information that is used to calculate risk scores for a specific payment month. We will need the data found in this report to complete Step 3 of the risk score calculation process.

Model Output Report (MOR)

STEP 1

Gather Reports and Resources

MENU

To accurately... **Model Output Report (MOR)**
will need the f... The Part C Model Output Report (MOR) is a monthly
report that lists the HCCs that are applicable to each
• Monthly... beneficiary. We will need the data from this report to
complete Step 3 in the risk score calculation process.

• Model Output Report (MOR)

• Plan Communication User Guide (PCUG)

• Annual Rate Announcement(s)

The Part C Model Output Report (MOR) is a monthly report that lists the HCCs that are applicable to each beneficiary. We will need the data from this report to complete Step 3 in the risk score calculation process.

Plan Communication User Guide (PCUG)

STEP 1

Gather Reports and Resources

MENU

Part C Beneficiary

To accurately calculate Mr. Carter's risk score, we
will nee... **Plan Communication User Guide (PCUG)**
The Plan Communication User Guide (PCUG)
• M... provides layout and field description information
• M... for the MMR and MOR.

• Plan Communication User Guide (PCUG)

• Annual Rate Announcement(s)

The Plan Communication User Guide (PCUG) provides layout and field description information for the MMR and MOR.

Annual Rate Announcement

STEP 1

Annual Rate Announcement
In accordance with section 1853(b)(a) of the Social
Security Act, CMS notifies plans of the annual
capitation rate for each Medicare Advantage (MA)
payment area for the upcoming calendar year and the
risk and other factors to be used in adjusting such
rates.

MENU

Part C Beneficiary

The Rate Announcement summarizes the key updates
from the Advance Notice and specifically instructs how
each model will be calculated, the relative factors for
any updated model, and the finalized adjustment
factors for all models.

k score, we
urces:

rt (MMR)

(PCUG)

• Annual Rate Announcement(s)

In accordance with section 1853(b)(a) of the Social Security Act, CMS notifies plans of the annual capitation rate for each Medicare Advantage (MA) payment area for the upcoming calendar year and the risk and other factors to be used in adjusting such rates.

The Rate Announcement summarizes the key updates from the Advance Notice and specifically instructs how each model will be calculated, the relative factors for any updated model, and the finalized adjustment factors for all models.

Annual Rate Announcement Introduction

Annual Rate Announcement Introduction
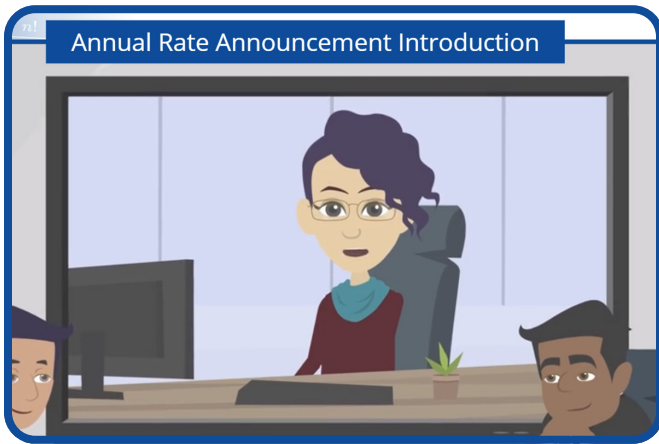
We must first verify which calendar year the risk score calculation should be based on to ensure that we are entering correct data into the risk score calculation formula. For this scenario, Mr. Carter's risk score calculations will be based on Calendar Year 2024.

Therefore, we will need to refer to the 2024 Rate Announcement to determine which risk adjustment model to use.

Select the SHOW ME button to learn how.

Rate Announcement(s)
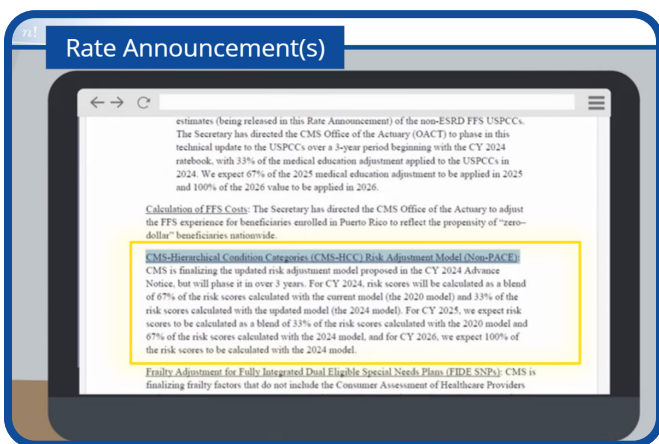
To verify which model to use for 2024 risk score calculations, open the 2024 Rate Announcement and scroll to the section that describes the CMS-HCC risk adjustment model for calendar year 2024. The information in this section states that CMS is phasing in a new model and risk scores will be calculated as a blend of 67% of the risk score calculated with the 2020 CMS-HCC model and 33% of the risk score calculated with the new 2024 CMS-HCC model.
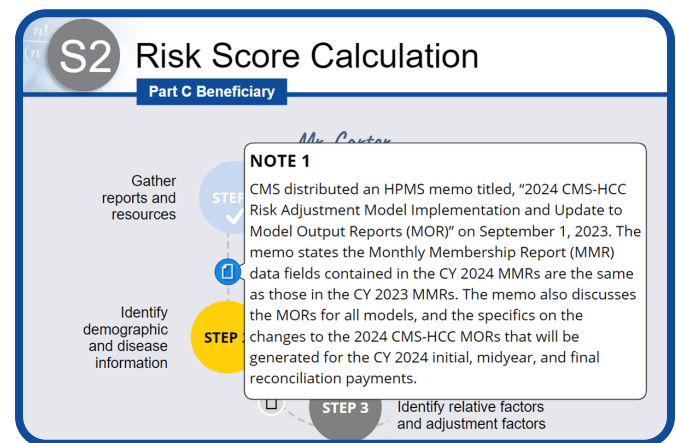
Since we will be blending Mr. Carter's risk scores calculated using the 2024 CMS-HCC model and the 2020 CMS-HCC model, we will need to refer to both the 2024 and 2020 Rate Announcements to look up his demographic and disease relative factors to calculate his risk score using each model.

On the next few slides, we will demonstrate how to calculate Mr. Carter's risk score using the 2024 CMS-HCC model. Afterwards, you will be invited to participate in a guided practice learning activity where you'll get to practice calculating Mr. Carter's risk score using the 2020 CMS-HCC model.

We will conclude this module by showing you how to blend the two risk scores to determine Mr. Carter's final risk score for calendar year 2024.

Select the NEXT button to continue.

Note #1

CMS distributed an HPMS memo titled, "2024 CMS-HCC Risk Adjustment Model Implementation and Update to Model Output Reports (MOR)" on September 1, 2023. The memo states the Monthly Membership Report (MMR) data fields contained in the CY 2024 MMRs are the same as those in the CY 2023 MMRs. The memo also discusses the MORs for all models, and the specifics on the changes to the 2024 CMS-HCC MORs that will be generated for the CY 2024 initial, midyear, and final reconciliation payments.

Step 2: Identify Demographic and Disease Information

The next step in the risk score calculation process using the 2024 CMS-HCC model involves gathering Mr. Carter's demographic and disease information.

Please select each button to learn more. When you have finished reviewing each section, select the NEXT button to continue.

Demographic Factors

MMR Field #	Demographic/Model Indicator	Value
7	Sex	M
20	Part C LTI	<SPACE>
23	Default Factor Code	<SPACE>
39	Medicaid	1
40	Age	80-84
46	RAFT Code	CF
47	Frailty Indicator	N
48	OREC	0
84	Medicaid Dual Status	2

To gather Mr. Carter's demographic information, we will need to reference the Monthly Membership Detail Report.

Please note, this report will be used for both the 2024 CMS-HCC model and the 2020 CMS-HCC model calculations.

The highlighted data shown on this MMR table are the required demographic and model indicators that you will need to compute the sum of Mr. Carter's demo-graphic relative factors during Step 3 of the risk score calculation process using the 2024 CMS-HCC model.

The "M" value in field 7 indicates that this beneficiary is a male.

The <space> value in field 20 indicates that this beneficiary does not reside in a long-term institution.

The <space> value in field 23 indicates that this beneficiary did not receive a default score.

The number "1" value in field 39 indicates that this beneficiary has Medicaid and is either full or partial dual.

The value in field 40 indicates that this beneficiary is in the 80–84 age group.

The "CF" RAFT Code value in field 46 indicates that this beneficiary is categorized as Community Full Dual, which means he lives in the community, is enrolled in Medicare, and receives full Medicaid benefits.

The "N" value in field 47 indicates that this beneficiary does not have Frailty status.

The number "0" value in field 48 indicates that this beneficiary is Medicare eligible due to age.

Finally, the number "2" value in field 84 confirms both the values in fields 39 and 46, that this beneficiary is in fact full dual.

Disease Factors

DISEASE FACTORS ~~ormation~~

2024 Model Output Report (MOR)

| 1 RUN DATE: | 20230608 | RISK ADJUSTMENT MODEL OUTPUT REPORT |
| PAYMENT MONTH: | 202307 | PLAN: H#### |

| MBI: | LAST NAME | FIRST NAME | DATE OF BIRTH | SEX & AGE GROUP | ESRD |
| ########## | CARTER | ED | YYYYMMDD | Male 80 - 84 | N |

V28 HCC DISEASE GROUPS: HCC038 Diabetes with Glycemic, Unspecified, or No Complications

HCC280 Chronic Obstructive Pulmonary Disease, Interstitial Lung Disorders, and Other Chronic Lung Disorders

✖ CLOSE

To gather Mr. Carter's disease information, or HCCs using the 2024 CMS-HCC Model, we will need to reference the 2024 Model Output Report.

Take a moment to review Mr. Carter's information. Notice that the HCCs identified for calendar year 2024 and for use with the 2024 CMS-HCC model for this beneficiary are:

- HCC38, Diabetes with Glycemic, Unspecified, or No Complications, and

- HCC280, Chronic Obstructive Pulmonary Disease, Interstitial Lung Disorders, and Other Chronic Lung Disorders.

We will need this information when calculating the sum of Mr. Carter's disease relative factors in Step 3.

Note #2

NOTE 2

The Advance Notice of Methodological Changes for Calendar Year 2024 for MA Capitation Rates and Part C and Part D Payment Policies" dated February 1, 2023 lists the HCCs in the 2024 CMS-HCC model compared to the 2020 CMS-HCC model, organized by disease group in Table II-4. HCC Differences Between the Current and Proposed CMS-HCC Risk Adjustment Models, by Disease Group. The table has two columns, with the 2020 model (V24) in the left column and Proposed model (V28) in the right column.

Mr. Carter has the diagnosis code HCC19, Diabetes without complications in the 2020 CMS-HCC model, which the table shows was updated to HCC38, Diabetes with Glycemic, Unspecified, or No Complications in the 2024 CMS-HCC model. Mr. Carter's diagnosis did not change, but the ICD10 mapping gives more specificity.

Blend risk scores

Calculate the risk score

STEP 3 Identify relative factors and adjustment factors

The Advance Notice of Methodological Changes for Calendar Year 2024 for MA Capitation Rates and Part C and Part D Payment Policies" dated February 1, 2023 lists the HCCs in the 2024 CMS-HCC model compared to the 2020 CMS-HCC model, organized by disease group in Table II-4. HCC Differences Between the Current and Proposed CMS-HCC Risk Adjustment Models, by Disease Group. The table has two columns, with the 2020 model (V24) in the left column and Proposed model (V28) in the right column.

Mr. Carter has the diagnosis code HCC19, Diabetes without complications in the 2020 CMS-HCC model, which the table shows was updated to HCC38, Diabetes with Glycemic, Unspecified, or No Complications in the 2024 CMS-HCC model. Mr. Carter's diagnosis did not change, but the ICD10 mapping gives more specificity.

Step 3: Identify Relative Factors & Adjustment Factors

STEP 3 — Identify Relative Factors and Adjustment Factors

≡ MENU

Part C Beneficiary | 2024 CMS-HCC Model

Step 3 in the risk score calculation process involves gathering relative factors and adjustment factors. **Select each button to learn more. When you have finished reviewing each section, select the NEXT button to continue.**

Relative Factors 🔍

Adjustment Factors ⇄

The next step in calculating Mr. Carter's risk score using the 2024 CMS-HCC model is to gather his relative factors and adjustment factors.

Please select each button to learn more. When you have finished reviewing each section, select the NEXT button to continue.

Relative Factors

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To gather Mr. Carter's demographic relative factors and disease relative factors for the 2024 portion of the risk score, open the 2024 Rate Announcement and navigate to Attachment VIII: CMS-HCC Risk Adjustment Factors & Predictive Ratio Tables.

Since we know that Mr. Carter is a Part C beneficiary, Tables VIII-1 through VIII-3, which identify the HCC model relative factors for different enrollee types, may apply. We know from the RAFT code that Mr. Carter is a continuing enrollee. Therefore, the most appropri-

ate table to use when looking up Mr. Carter's relative factors is Table VIII-1: 2024 CMS-HCC Model Relative Factors for Continuing Enrollees.

Select the name of this table to continue.

RELATIVE FACTORS | Column Selection

Table VIII-1. 2024 CMS-HCC Model Relative Factors for Continuing Enrollees

Variable	Description Label	Community, NonDual, Aged	Community, NonDual, Disabled	Community, FBDual, Aged	Community, FBDual, Disabled	Community, PBDual, Aged	Community, PBDual, Disabled	Institutional
Female								
0-34 Years		-	0.238	-	0.346	-	0.454	0.948
35-44 Years		-	0.288	-	0.332	-	0.420	0.810
45-54 Years		-	0.340	-	0.384	-	0.404	1.031
55-59 Years		-	0.385	-	0.421	-	0.424	0.949
60-64 Years		-	0.436	-	0.502	-	0.414	0.881
95 Years or Over		0.742	-	0.877	-	0.835	-	0.481
Male								
0-34 Years		-	0.106	-	0.191	-	0.306	0.826
35-44 Years		-	0.154	-	0.204	-	0.261	0.719
45-54 Years		-	0.215	-	0.293	-	0.300	0.991
55-59 Years		-	0.283	-	0.410	-	0.353	0.989
60-64 Years		-	0.345	-	0.504	-	0.374	0.917
65-69 Years		0.332	-	0.531	-	0.375	-	1.275
70-74 Years		0.396	-	0.626	-	0.417	-	1.224
75-79 Years		0.502	-	0.714	-	0.498	-	1.319
80-84 Years		0.571	-	0.789	-	0.565	-	1.238
85-89 Years		0.664	-	0.907	-	0.615	-	1.135
90-94 Years		0.800	-	0.993	-	0.712	-	0.946
95 Years or Over		0.896	-	1.058	-	0.904	-	0.825

Now that we have selected the correct table, we need to determine which column to use.

Take a few moments to review the headings for each of the seven columns highlighted on the screen. Given what you know about Mr. Carter, which one best fits his status?

Go ahead; select the name of the column you think we should use.

Correct answer. In Step 2, we learned that Mr. Carter is a full dual Medicare beneficiary, originally eligible due to age. Therefore, we should reference the "Community, Full Benefit Dual, Aged" column to gather his demographic and disease relative factors.

Select the CONTINUE button.

To calculate Mr. Carter's risk score, we must first calculate the sum of his demographic relative factors as well as the sum of his disease relative factors.

Select each button to learn more. When you are finished, select the NEXT button to continue.

Demographic Factors

RELATIVE FACTORS | Demographic Factors

Table VIII-1. 2024 CMS-HCC Model Relative Factors for Continuing Enrollees

Variable	Description Label	Community, NonDual, Aged	Community, NonDual, Disabled	Community, FBDual, Aged	Community, FBDual, Disabled	Community, PBDual, Aged	Community, PBDual, Disabled	Institutional
Female								
85-89 Years		0.624	-	0.775	-	0.618	-	0.750
90-94 Years		0.737	-	0.869	-	0.738	-	0.627
95 Years or Over		0.742	-	0.877	-	0.835	-	0.481
Male								
65-69 Years		0.332	-	0.531	-	0.375	-	1.275
70-74 Years		0.396	-	0.626	-	0.417	-	1.224
75-79 Years		0.502	-	0.714	-	0.498	-	1.319
80-84 Years		0.571	-	0.789	-	0.565	-	1.238
85-89 Years		0.664	-	0.907	-	0.615	-	1.135
90-94 Years		0.800	-	0.993	-	0.712	-	0.946
95 Years or Over		0.896	-	1.058	-	0.904	-	0.825
Medicaid and Originally Disabled Interactions								
Originally Disabled, Female		0.228	-	0.160	-	0.103	-	-
Originally Disabled, Male		0.135	-	0.158	-	0.075	-	-
Medicaid		-	-	-	-	-	-	0.130

To calculate the sum of Mr. Carter's demographic relative factors, we must first identify the correct factor for each relevant demographic variable.

Since we know that Mr. Carter is a male aged 80 to 84, we need to capture the factor displayed in the cell that intersects row "80 to 84 Years" and the "Community, Full Benefit Dual, Aged" column, which is 0.789.

The only other value we need to consider when computing the sum of Mr. Carter's demographic relative factors is his Medicaid Interaction factor. Since Mr. Carter resides in the community, this factor does not apply.

Therefore, the sum of Mr. Carter's demographic relative factors, using the 2024 CMS-HCC model, is 0.789.

Select the NEXT button to continue.

Disease Factors

RELATIVE FACTORS | Disease Factors

Table VIII-1. 2024 CMS-HCC Model Relative Factors for Continuing Enrollees

Variable	Description Label	Community, NonDual, Aged	Community, NonDual, Disabled	Community, FBDual, Aged	Community, FBDual, Disabled	Community, PBDual, Aged	Community, PBDual, Disabled	Institutional
Disease Coefficients								
HCC1	HIV/AIDS	0.301	0.213	0.397	0.237	0.196	0.109	1.322
HCC2	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	0.500	0.598	0.649	0.780	0.447	0.591	0.605
HCC6	Opportunistic Infections	0.381	0.763	0.588	0.833	0.518	0.685	0.728
HCC38	Diabetes with Glycemic, Unspecified, or No Complications	0.166	0.191	0.186	0.235	0.166	0.210	0.280
HCC48	Morbid Obesity	0.188	0.144	0.300	0.178	0.164	0.118	0.442
HCC49	Specified Lysosomal Storage Disorders	9.256	13.778	2.833	6.399	3.269	7.771	1.528
HCC279	Severe Persistent Asthma	0.818	0.842	0.594	0.808	0.650	0.804	0.873
HCC280	Chronic Obstructive Pulmonary Disease, Interstitial Lung Disorders, and Other Chronic Lung Disorders	0.319	0.209	0.390	0.281	0.321	0.234	0.312
HCC282	Aspiration and Specified Bacterial Pneumonias	0.440	0.362	0.538	0.269	0.409	0.173	0.353

Using the same table (Table VIII-1) and the "Community, Full Benefit Dual, Aged" column that we used to gather Mr. Carter's demographic relative factors, the next step in the process is to locate the values for each of Mr. Carter's disease factors (or HCCs) in order to compute the sum of his disease relative factors.

During our MOR review in step 2, we confirmed that Mr. Carter has two HCCs:

- HCC38, Diabetes with Glycemic, Unspecified, or No Complications, and

- HCC280, Chronic Obstructive Pulmonary Disease, Interstitial Lung Disorders, and Other Chronic Lung Disorders

To identify the relative factor for HCC38, we must capture the value displayed in the cell intersecting the "Community, Full Benefit Dual, Aged" column and row "HCC38," which is 0.186.

To identify the relative factor for HCC280, we must capture the value displayed in the cell intersecting the "Community, Full Benefit Dual, Aged" column and row "HCC280," which is 0.390.
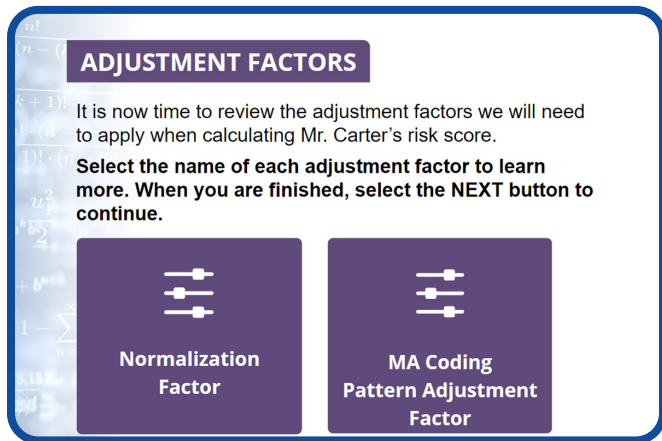
Since there are no disease or disabled/disease interactions for this beneficiary, to compute the sum of Mr. Carter's disease relative factors, simply add the rela-

tive factor for HCC38, which is 0.186, to the relative factor for HCC280, which is 0.390.

This makes the sum of Mr. Carter's disease relative factors, using the 2024 CMS-HCC model, 0.576.

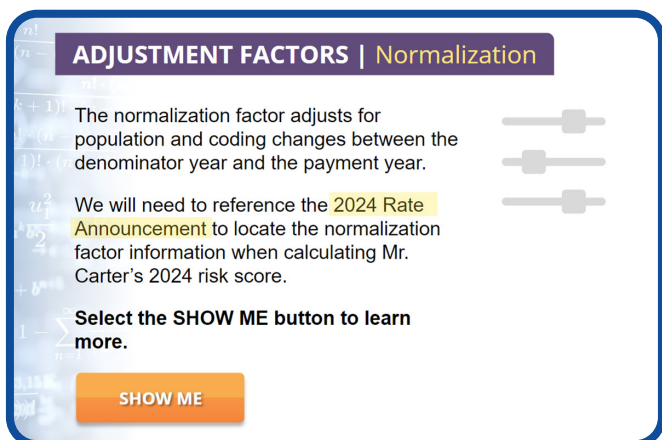Select the NEXT button to continue.

Adjustment Factors

It is now time to review the adjustment factors we will need to apply when calculating Mr. Carter's risk score.

Select the name of each adjustment factor to learn more. When you are finished, select the NEXT button to continue.

Normalization Factor
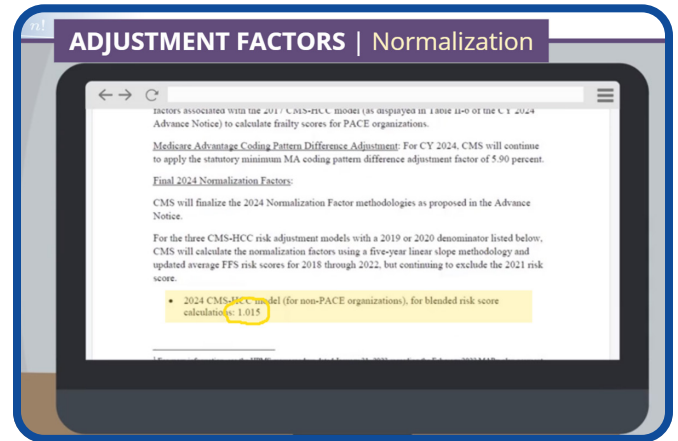
The normalization factor adjusts for population and coding changes between the denominator year and the payment year.

We will need to reference the 2024 Rate Announcement to locate the normalization factor information

when calculating Mr. Carter's 2024 risk score.

Select the SHOW ME button to learn more.
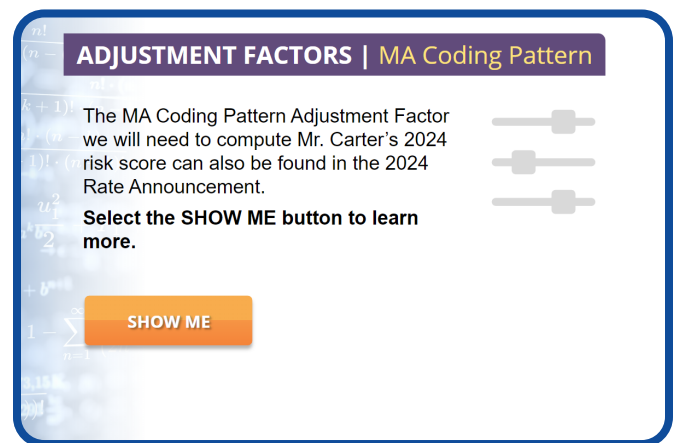
Open the 2024 Rate Announcement by selecting the RESOURCES button. Navigate to the "Final 2024 Normalization Factors" section.

For the 2024 model, the normalization factor we need to use is 1.015 since we are using the 2024 CMS-HCC model for blended risk score calculations.

Select the NEXT button to continue.

MA Coding Pattern

The Medicare Advantage coding pattern adjustment factor we will need to compute Mr. Carter's 2024 risk score can also be found in the 2024 Rate Announcement.

Select the SHOW ME button to learn more.

ADJUSTMENT FACTORS | MA Coding Pattern
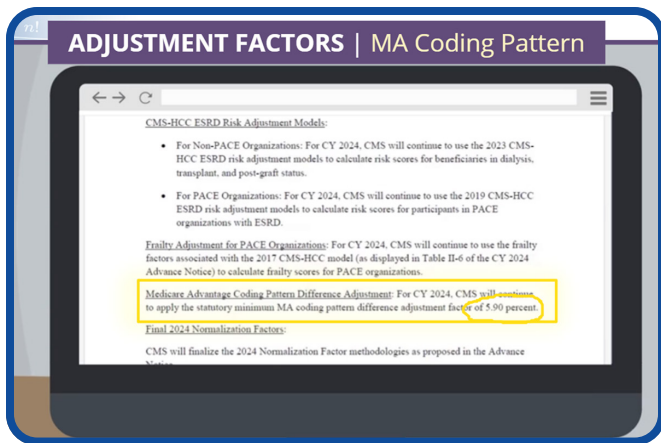
Open the 2024 Rate Announcement and navigate to the "Medicare Advantage Coding Pattern Difference Adjustment" section.

Based on the information in this Announcement, we must use the MA coding pattern adjustment factor of 5.90 percent, or 0.059, to calculate Mr. Carter's risk score for the 2024 payment year.

Select the NEXT button to continue.

Identify Relative and Adjustment Factors Summary
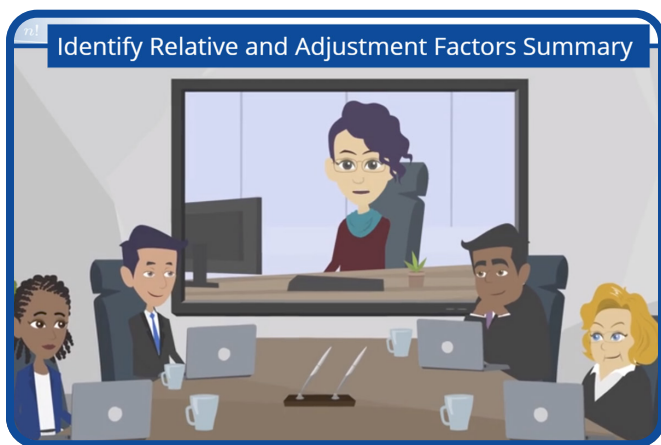
Great job! You have gathered all the necessary values to complete the fourth and final step of calculating Mr. Carter's risk score using the 2024 CMS-HCC model.

Select the NEXT button to continue.

Step 4: Using the Risk Score Formula

Using the Risk Score Formula Introduction

SHOW ME

It is now time to calculate Mr. Carter's risk score using the 2024 CMS-HCC model!

In this step, we will enter the values generated in Step 3— the sum of demographic relative factors, sum of disease relative factors, the normalization factor, and the MA coding pattern adjustment factor — into the risk score formula to produce Mr. Carter's risk score using the 2024 CMS-HCC model.

Select the SHOW ME button to learn more.

STEP 4 — Using the Risk Score Formula — MENU

Part C Beneficiary | 2024 CMS-HCC Model

When using the risk score formula, we must take several steps to accurately calculate Mr. Carter's risk score using the 2024 CMS-HCC model. **Select each button to learn more. When you are finished, select the NEXT button to continue.**

1 RAW RISK SCORE

2 ROUNDED NORMALIZED RISK SCORE

3 ROUNDED MA CODING PATTERN ADJUSTED RISK SCORE

When using the risk score formula, we must take several steps to accurately calculate Mr. Carter's risk score using the 2024 CMS-HCC model.

Select each button to learn more. When you are finished, select the NEXT button to continue.

1. Raw Risk Score Calculation (2024 CMS-HCC Model)

STEP 4 — Using the Risk Score Formula ☰ MENU

Part C Beneficiary | 2024 CMS-HCC Model

RAW RISK SCORE CALCULATION

$$\underset{\text{(SUM OF DEMOGRAPHIC FACTORS)}}{0.789} + \underset{\text{(SUM OF DISEASE FACTORS)}}{0.576} = \underset{\text{(RAW RISK SCORE)}}{1.365}$$

✖ CLOSE

The first step is to add the sum of Mr. Carter's demographic factors, which is 0.789, to the sum of his disease factors, which is 0.576, to determine the raw risk score.

Mr. Carter's raw risk score is 1.365.

2. Rounded Normalized Risk Score Calculation (2024 CMS-HCC Model)

STEP 4 — Using the Risk Score Formula ☰ MENU

Part C Beneficiary | 2024 CMS-HCC Model

ROUNDED NORMALIZED RISK SCORE CALCULATION

$$\underset{\text{(RAW RISK SCORE)}}{1.365} \div \underset{\text{(2024 NORMALIZATION FACTOR)}}{1.015} = \underset{\text{(ROUNDED NORMALIZED SCORE)}}{1.345}$$

✖ CLOSE

Next, we must divide the raw risk score, 1.365, by the 2024 normalization factor for the 2024 CMS-HCC model, which is 1.015, to get a normalized score of 1.34483.

We must round this number to the third decimal place to get a rounded normalized score of 1.345. Please note that if we skip this rounding step, it may affect the risk score at the third decimal place, which will impact the final calculated payment risk score.

3. Rounded MA Coding Pattern Adjusted Risk Score Calculation (2024 CMS-HCC Model)

STEP 4 — Using the Risk Score Formula ☰ MENU

Part C Beneficiary | 2024 CMS-HCC Model

ROUNDED MA CODING PATTERN ADJUSTED RISK SCORE CALCULATION

$$\underset{\substack{\text{(ROUNDED NORMALIZED RISK SCORE)}}}{1.345} \times \underset{\substack{\text{(1 - MA CODING PATTERN ADJUSTMENT FACTOR)}}}{0.941} = \underset{\substack{\text{(ROUNDED MA CODING PATTERN ADJUSTED RISK SCORE)}}}{1.266}$$

✖ CLOSE

Since we are using the Part C CMS-HCC model to calculate Mr. Carter's risk score, we also need to apply the MA coding pattern adjustment factor.

To do this, simply multiply the rounded normalized risk score, which is 1.345, by 1 minus the MA coding pattern adjustment factor, 0.059, which is 0.941, to get the MA coding pattern adjusted risk score of 1.26565.

You must round this number to the third decimal point to get a rounded MA coding pattern adjusted risk score of 1.266.

This is Mr. Carter's risk score using the 2024 CMS-HCC model.

Guided Practice Learning Activity

Guided Practice Introduction Video

We learned earlier that Mr. Carter's final risk score for calendar year 2024 must represent a blend of his computed risk score using both the 2020 CMS-HCC model and the 2024 CMS-HCC model.

We just calculated the 2024 risk score, now it's time to practice calculating Mr. Carter's risk score using the 2020 CMS-HCC model.

Don't worry, it's the same four-step process we've just walked through to calculate Mr. Carter's risk score using the 2024 CMS-HCC model!

After successfully computing Mr. Carter's risk score using the 2020 CMS-HCC model, we will walk through the fifth and final step of computing Mr. Carter's risk score for calendar year 2024.

Select the Next button to continue!

Guided Practice | Step 1: Gather Reports and Resources

The first step in calculating Mr. Carter's risk score using the 2020 CMS-HCC Model is to gather all the necessary reports and resources.

To complete this learning activity, you will need a copy of the Monthly Membership Report, the 2020 Model Output Report, the Plan Communication User Guide, both the 2020 and 2024 rate announcements, and the digital guided practice worksheet.

Each of these resources can be accessed by selecting the RESOURCES button on your screen.

Monthly Membership Detail Report (MMR)

The Monthly Membership Detail Report (MMR) provides Plans with beneficiary demographic and status information that is used to calculate risk scores for a specific payment month. We will need the data found in this report to complete Step 3 of the risk score calculation process.

Model Output Report (MOR)

STEP 1 — Gather Reports and Resources — **MENU**

Part C Beneficiary | 2020 CMS-HCC Model

The first step in calculating Mr. Carter's risk score [...] her all the [...] plete this

Model Output Report (MOR)
The Part C Model Output Report (MOR) is a monthly report that lists the HCCs that are applicable to each beneficiary. We will need the data from this report to complete Step 3 in the risk score calculation process.

- [...] MMR) *i*
- Model Output Report (MOR) (2020) *i*
- Plan Communication User Guide (PCUG) *i*
- Annual Rate Announcements (2020 and 2024) *i*
- Guided Practice Worksheet (Digital) *i*

The Part C Model Output Report (MOR) is a monthly report that lists the HCCs that are applicable to each beneficiary. We will need the data from this report to complete Step 3 in the risk score calculation process.

Plan Communication User Guide (PCUG)

STEP 1 — Gather Reports and Resources — **MENU**

Part C Beneficiary | 2020 CMS-HCC Model

The first step in calculating Mr. Carter's risk score using the 2020 CMS-HCC Model is to gather all the necessary reports and resources. To complete this learning [...]

Plan Communication User Guide (PCUG)
The Plan Communication User Guide (PCUG) provides layout and field description information for the MMR and MOR.

- M[...] *i*
- M[...] *i*
- Plan Communication User Guide (PCUG) *i*
- Annual Rate Announcements (2020 and 2024) *i*
- Guided Practice Worksheet (Digital) *i*

The Plan Communication User Guide (PCUG) provides layout and field description information for the MMR and MOR.

Annual Rate Announcement

STEP 1 — Gather Reports and Resources — **MENU**

The first s[...] using the [...] necessary [...] learning a[...]

Annual Rate Announcement
In accordance with section 1853(b)(a) of the Social Security Act, CMS notifies plans of the annual capitation rate for each Medicare Advantage (MA) payment area for the upcoming calendar year and the risk and other factors to be used in adjusting such rates.

The Rate Announcement summarizes the key updates from the Advance Notice and specifically instructs how each model will be calculated, the relative factors for any updated model, and the finalized adjustment factors for all models.

- Mor[...]
- Mod[...]
- Plan[...]
- Annual Rate Announcements (2020 and 2024) *i*
- Guided Practice Worksheet (Digital) *i*

In accordance with section 1853(b)(a) of the Social Security Act, CMS notifies plans of the annual capitation rate for each Medicare Advantage (MA) payment area for the upcoming calendar year and the risk and other factors to be used in adjusting such rates.

The Rate Announcement summarizes the key updates from the Advance Notice and specifically instructs how each model will be calculated, the relative factors for any updated model, and the finalized adjustment factors for all models.

Guided Practice Worksheet (Digital)

STEP 1 — Gather Reports and Resources — **MENU**

Part C Beneficiary | 2020 CMS-HCC Model

The first step in calculating Mr. Carter's risk score using the 2020 CMS-HCC Model is to gather all the necessary reports and resources. To complete this learning activity, you will need:

Guided Practice Worksheet (Digital)
Use the Guided Practice Worksheet to document Mr. Carter's Relative Factors and his Adjustment Factors during the guided practice learning activity. If you get stuck, select the Answer Key button to view the answers.

- [...]MR) *i*
- [...] *i*
- [...]UG) *i*
- [...]nd 2024) *i*
- Guided Practice Worksheet (Digital) *i*

Use the Guided Practice Worksheet to document Mr. Carter's Relative Factors and his Adjustment Factors during the guided practice learning activity. If you get stuck, select the Answer Key button to view the answers.

Guided Practice | Step 2: Identify Demographic and Disease Information

STEP 2

Identify Demographic and Disease Information

MENU

Part C Beneficiary | 2020 CMS-HCC Model

Please review the following:

- **2020 Model Output Report**
  (to identify Mr. Carter's Disease variables)
- **Monthly Membership Report**
  (to identify Mr. Carter's Demographic variables)

After you have completed your review, select the Next button to answer a few questions about Mr. Carter's demographic and disease information.

Next, we must gather Mr. Carter's demographic and disease information.

Please select the RESOURCES button to review both the 2020 model output report and the monthly membership report.

After you have completed your review, select the Next button to answer a few questions about Mr. Carter's demographic and disease information.

Knowledge Check 4

Given what you've learned about Mr. Carter, which of the following represent his medical concern(s) or disease(s)? Select all that apply.

Which of the following represent Mr. Carter's medical concern(s) or disease(s)? **Select all that apply. When done, select Submit.**

- ☐ Diabetes with acute complications (HCC17)
- ☑ Diabetes without complications (HCC19)
- ☐ End-Stage Liver Disease (HCC27)
- ☑ Chronic obstructive pulmonary disease (HCC111)
- ☐ Acute Renal Failure (HCC135)

☐ Diabetes with acute complications (HCC17)

☐ Diabetes without complications (HCC19)

☐ End-Stage Liver Disease (HCC27)

☐ Chronic obstructive pulmonary disease (HCC111)

☐ Acute Renal Failure (HCC135)

Correct answer. According to the 2020 MOR, Mr. Carter's disease categories are HCC19 Diabetes Without Complications, and HCC111 Chronic Obstructive Pulmonary Disease.

Knowledge Check 5

Given what you know about Mr. Carter, which of the following are true? Select all that apply.

> Given what you know about Mr. Carter, which of the following are true? **Select all that apply. When done, select Submit.**
>
> ☑ Is a male
>
> ☐ Lives in a long-term care facility
>
> ☑ Medicaid eligible
>
> ☑ Within the 80-84 age group
>
> ☐ Is eligible for a frailty adjustment

☐ Is a male

☐ Lives in a long-term care facility

☐ Medicaid eligible

☐ Within the 80-84 age group

☐ Is eligible for a frailty adjustment

Correct answer. According to the MMR you reviewed, the beneficiary (Mr. Carter) is a male, between the ages of 80-84 and is Medicaid eligible.

Guided Practice | Step 3: Identify Relative Factors and Adjustment Factors

The third step is to identify Mr. Carter's relative and adjustment factors.

Navigate to the digital Guided Practice Worksheet, which can be found by selecting the RESOURCES button located on the navigation bar, for additional instructions and to begin documenting Mr. Carter's relative factors and adjustment factors. When you are finished, select the Next button to continue.

Please take your time with this step as you will need the information gathered to complete step 4 of the risk score calculation process.

Guided Practice Worksheet Answer Key

Demographic Relative Factors

Demographics	Status	Factor
Age/Sex	M 80-84	0.803
Medicaid	N/A	0.000
Sum of Demographic Factors:		**0.803**

This worksheet documents Mr. Carter's Relative Factors and Adjustment Factors for use when calculating his risk score using the 2020 CMS-HCC model.

Adjustment Factors

Adjustments	Factor
Normalization	1.146
MA Coding Pattern Adjustment Factor (decimal format):	0.059
Frailty	0.000

Disease Relative Factors

Disease Code	Disease Description	Factor
HCC19	Diabetes without complication	0.107
HCC111	Chronic obstructive pulmonary disease	0.430
Sum of Disease Factors:		**0.537**

Guided Practice | Step 4: Using the Risk Score Formula

It is time to use the risk score formula to calculate Mr. Carter's final risk score using the 2020 CMS-HCC model.

Select each button on your screen to walk through the step-by-step calculation process. When you are finished, select the NEXT button to continue.

Guided Practice | 1. Raw Risk Score Calculation (2020 CMS-HCC Model)

To calculate Mr. Carter's raw risk score, simply add the sum of his demographic factors to the sum of his disease factors.

Using the Guided Practice Worksheet, enter Mr. Carter's sum of demographic factors and the sum of his disease factors into the entry fields and then select the CALCULATE button to compute his raw risk score using the 2020 CMS-HCC Model.

If you happen to get stuck, please select the HELP button to view the correct answer. When you are finished select the CLOSE button.

Correct answer. Mr. Carter's raw risk score is calculated by adding the sum of his demographic factors, which is 0.803, to the sum of disease factors, which is 0.537.

Mr. Carter's raw risk score is 1.340.

Guided Practice | 2. Rounded Normalized Risk Score Calculation (2020 CMS-HCC Model)

Next, we must divide Mr. Carter's raw risk score by the normalization factor.

Using the Guided Practice Worksheet, enter the normalization factor into the entry field and then select the CALCULATE button to compute his normalized risk score using the 2020 CMS-HCC Model. You must round this number to the third decimal to get Mr. Carter's rounded normalized risk score.

Again, if you get stuck, please select the HELP button to view the correct answer. When you are finished select the CLOSE button.

Correct answer. You must divide the raw risk score, 1.340, by the 2024 normalization factor for the 2020 CMS-HCC model, which is 1.146, to get a normalized score of 1.16928. You must round this number to the third decimal place to get Mr. Carter's rounded normalized risk score, which is 1.169.

Guided Practice | 3. Rounded MA Coding Pattern Adjusted Risk Score Calculation (2020 CMS-HCC Model)

ROUNDED MA CODING PATTERN ADJUSTED RISK SCORE CALCULATION ✖

Using the **Guided Practice Worksheet**, enter the difference of 1-MA Coding Pattern Adjustment Factor into the entry field and then select the CALCULATE button to compute Mr. Carter's rounded MA coding pattern adjusted risk score using the 2020 CMS-HCC Model.

$$1.169 \times 0.941 = 1.1000$$

(ROUNDED NORMALIZED RISK SCORE) ✖ (1 - MA CODING PATTERN ADJUSTMENT FACTOR) = (MA CODING PATTERN ADJUSTED RISK SCORE)

1.100
(ROUNDED MA CODING RISK SCORE)

SELECT THE HELP BUTTON TO VIEW THE ANSWER

HELP ⚑ | CLEAR ↻ | CALCULATE ▦

The next step in the process is to multiply Mr. Carter's rounded normalized risk score by one minus the MA coding pattern adjustment factor.

Again, using the Guided Practice Worksheet, enter the difference of 1 minus the MA Coding Pattern Adjustment Factor into the entry field and then select the CALCULATE button to compute Mr. Carter's MA coding pattern adjusted risk score using the 2020 CMS-HCC Model. You must round this number to the third decimal to get Mr. Carter's Rounded MA coding pattern adjusted risk score.

If you get stuck, please select the HELP button to view the correct answer. When you are finished select the CLOSE button.

Correct answer. Since we are using the Part C CMS-HCC model to calculate Mr. Carter's risk score, we also need to apply the MA coding pattern adjustment factor. To do this, simply multiply the rounded normalized risk score, which is 1.169, by 1 minus the MA coding pattern adjustment factor, which is 0.941, to get the MA coding pattern adjusted risk score of 1.1000. You must round this number to the third decimal point to get a rounded MA coding pattern adjusted risk score, which is 1.100.

Knowledge Check 6

What is Mr. Carter's Final Risk Score, using the 2020 CMS-HCC Model? Select the best answer.

> What is Mr. Carter's Final Risk Score using the 2020 CMS-HCC Model? **Select the best answer. When done, select Submit.**
>
> ○ 0.830
> ○ 0.961
> ● 1.100
> ○ 1.146

☐ 0.830

☐ 0.961

☐ 1.100

☐ 1.146

Correct answer. Since no additional adjustments, such as frailty, are required, Mr. Carter's final risk score is the same as his Rounded MA Coding Pattern Adjustment Risk Score, which is 1.100.

Step 5: Blend Risk Scores

If you recall earlier in this module, we mentioned that according to the 2024 Rate Announcement, CMS is phasing in a new model, and risk scores for payment year 2024 will be calculated as a blend of 67% of the risk score calculated with the 2020 model, and 33% of the risk score calculated with the updated 2024 model.

Let's now calculate Mr. Carter's final blended risk score for payment year 2024.

Select each button to learn more. When you are finished, select the NEXT button to continue.

Calculating 67% of Mr. Carter's Risk Score Using the 2020 CMS-HCC Model

We know, based on our calculations during the guided practice learning activity, that Mr. Carter's risk score using the 2020 CMS-HCC model is 1.100.

To calculate 67% of this risk score, simply multiply 1.100 by 0.67, which is 0.73700. You must round this number to the third decimal point to get 0.737.

This is 67% of Mr. Carter's risk score using the 2020 CMS-HCC model.

Calculating 33% of Mr. Carter's Risk Score Using the 2024 CMS-HCC Model

Based on the work performed earlier in this module, we know that Mr. Carter's risk score using the 2024 CMS-HCC model is 1.266.

To calculate 33% of this risk score, simply multiply 1.266 by 0.33, which is 0.41778. You must round this number to the third decimal point to get 0.418.

This is 33% of Mr. Carter's risk score using the 2024 CMS-HCC model.
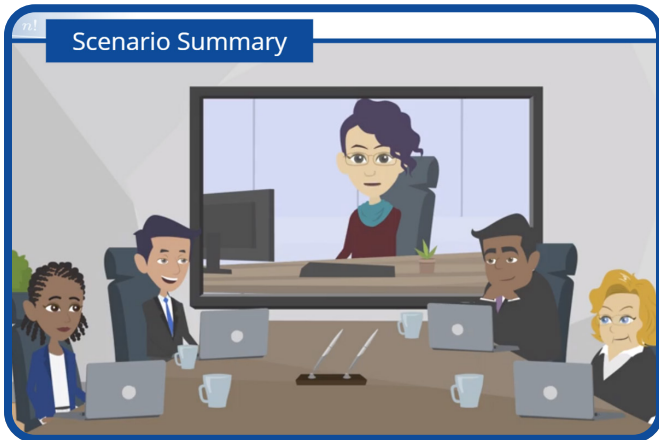
Calculating Mr. Carter's Final Blended Risk Score

The final step in calculating Mr. Carter's blended risk score for calendar year 2024 is to add the value that represents 67% of Mr. Carter's risk score using the 2020 CMS-HCC model, which is 0.737, to the value that

represents 33% of his risk score calculated using the new 2024 CMS-HCC model, which is 0.418.

Mr. Carter's final risk score for calendar year 2024 is 1.155.

Scenario Summary

Congratulations! You have just completed the five-step process of calculating Mr. Carter's final risk score for calendar year 2024.

From gathering the necessary reports and resources, and finding beneficiary demographic and disease information, to identifying relative and adjustment factors, using the risk score formula, and blending risks scores from two different models, you now know how to calculate the 2024 payment risk score for a Part C beneficiary.

Conclusion

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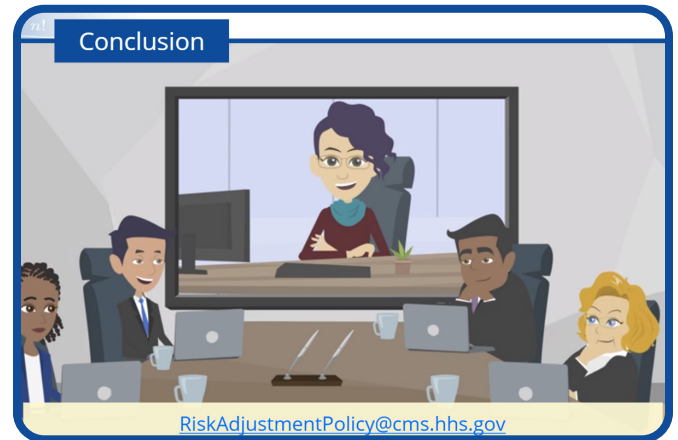
Thank you for viewing Module 5 in the Risk Adjustment Methodology Series.

In this module, we reviewed calendar year 2024 updates, and you had the opportunity to calculate the risk score for a Part C beneficiary using scenario-based guided practice.

If you have questions or comments about this training, please contact RiskAdjustmentPolicy@cms.hhs.gov.

Otherwise, select the EXIT COURSE button to end the course.