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March 5, 2018

The Honorable Seema Verma  
Administrator  
Department of Health and Human Services (HHS)  
Centers for Medicare & Medicaid Services (CMS)  
Attention: CMS-2017 -0163 - 001  
P.O. Box 8013  
Baltimore, MD 21244-8013

## **Re: Part 1: Advance Notice on MA-HCC Risk Adjustment Model: SNP Alliance Comments**

The Special Needs Plan Alliance (SNPA) is pleased to offer our comments on the *Advance Notice of Methodological Changes for Calendar Year (CY) 2019 for the Medicare Advantage (MA) CMS-HCC Risk Adjustment Model*. The SNPA represents 24 organizations of special needs plans and Medicare/Medicaid plans serving 1.6 million SNP enrollees.

### **A. HCC Adjustment for Mental Illness**

**Summary of Changes:** Seven HCCs were classified as Mental Health in the existing CMS-HCC model diagnosis-to-HCC mappings. Two HCCs classified as mental health are included in the 2017 CMS-HCC model:

1. HCC 57 Schizophrenia
2. HCC 58 Major Depressive, Bipolar, and Paranoid Disorders

Five HCCs classified as mental health are not included in the 2017 CMS-HCC model:

1. HCC 59 Reactive and Unspecified Psychosis
2. HCC 60 Personality Disorders
3. HCC 61 Depression
4. HCC 62 Anxiety Disorders
5. HCC 63 Other Psychiatric Disorders

For payment year 2019, CMS proposes to add HCC 59 Reactive and Unspecified Psychosis and HCC 60 Personality Disorders to the CMS-HCC model.

## **SNP Alliance Comments and Recommendations:**

The SNP Alliance supports this change in methodology.

### **B. HCC Adjustment for Substance Use Disorder**

**Summary of Changes:** There are three substance use disorder HCCs in the set of HCCs used to calibrate the 2017 CMS-HCC risk adjustment model. All ICD-9 diagnoses classified as substance abuse or dependence in the Diagnostic and Statistical Manual of Mental Disorders (DSM-5) are mapped to one of these HCCs.

Two substance use disorder HCCs are included in the 2017 CMS-HCC model:

1. HCC 54 Drug/Alcohol Psychosis
2. HCC 55 Drug/Alcohol Dependence

One substance use disorder HCC is not included in the 2017 CMS-HCC model:

1. HCC 56 Drug/Alcohol Abuse, Without Dependence

For payment year 2019, CMS proposes to make two changes that will result in additional substance use disorder diagnoses being added to the model for payment. CMS proposes to:

1. Add diagnoses to HCC 55 to better account for the costs related to accidental (unintentional) or undetermined overdose. Selected poisoning (overdose) codes for the following substances will be incorporated into HCC 55. HCC 55 will be renamed “Drug/Alcohol Dependence, or Abuse/Use with Complications” to reflect the inclusion of additional diagnoses, as well as the concepts introduced with the current ICD-10 code classification:
  - Heroin
  - Cocaine
  - Opium and other opioids
  - Methadone and other synthetic or unspecified narcotics
  - Lysergide (LSD) and other or unspecified hallucinogens
  - Psychostimulants
  - Alcohol (ethanol)
2. Split HCC 56 into three HCCs, and include in the proposed model one of these HCCs: a new HCC 56 “Drug Abuse, Uncomplicated, Except Cannabis.” The other two additional HCCs, HCC 202 “Drug Use, Uncomplicated, Except Cannabis” and HCC 203 “Alcohol Abuse and Cannabis Use/Abuse, Uncomplicated, Non-Psychoactive Substance Abuse, and Nicotine Dependence,” would be excluded from the model for payment, but would be considered in the count of all conditions in the alternative model.

## **SNP Alliance Comments and Recommendations:**

The SNP Alliance supports this change in methodology.

### **C. HCC Adjustment for Chronic Kidney Disease (CKD)**

**Summary of Changes:** Chronic Kidney is identified by five stages of severity. Stage 1 indicates the lowest level of severity and Stage 5 indicates the highest level of severity.

Two stages of Chronic Kidney Disease are included in the 2017 CMS-HCC model:

- HCC 136 Chronic Kidney Disease, Stage 5
- HCC 137 Chronic Kidney Disease, Severe (Stage 4)

Three stages of Chronic Kidney Disease are not included in the 2017 CMS-HCC model:

- HCC 138 Chronic Kidney Disease, Moderate (Stage 3)
- HCC 139 Chronic Kidney Disease, Mild or Unspecified (Stages 1-2 or Unspecified)

For payment year 2019, CMS proposes to add state 3 (HCC 138) to the HCC model, which currently only includes stages 4 and 5.

#### **SNP Alliance Comments and Recommendations:**

The SNP Alliance supports this change in methodology.

### **D. HCC Adjustment for the Number of Conditions**

**Summary of Changes:** The 21<sup>st</sup> Century Cures Act, formulating the HCC methodology, requires CMS to “take into account the total number of diseases or conditions of an individual.” CMS interprets this to mean that, in addition to the increase in the risk score that occurs today for each additional condition in the payment model that a beneficiary has, the CMS-HCC risk adjustment model should also account for the number or *count* of conditions a beneficiary has.

In order to more fully account for costs related to “**the number of conditions**” that exist for any given enrollee, CMS did an analysis of two approaches.

1. One model only counted “*payment conditions*” in the count.
2. The 2<sup>nd</sup> model included “*all conditions*” in the HCC hierarchy.

The primary difference between the two models is the “payment condition” model restricts chronic conditions to be associated to any one individual to those contained in the CMS-HCC payment methodology, roughly 64 of 83. The “all conditions” model uses all conditions that are contained within the base HCC hierarchy, roughly 122 out of 204. However, in doing the actual calculation, CMS restricts the count for any one individual to 10 for the “payment condition” model and to 15 for the “all conditions” model as the count begins to lose its added power beyond a certain count.

CMS is proposing to take into further account the total number of diseases or conditions of an individual through a phase-in of a new model between 2020 and 2022. CMS’s preference is to implement the “payment condition” model but have the “all conditions” model as an alternative. CMS is looking for comments on what organizations think are better and why.

### **SNP Alliance Comments and Recommendations:**

The SNP Alliance supports CMS efforts to implement the payment condition model to take in account the added costs involved for serving persons with multiple conditions. This support is based on our understanding the proposed payment method in fact improves payment for beneficiaries with multiple chronic conditions, consistent with Congressional intent, with particularly regard for its positive effects on dually eligible beneficiaries with multiple conditions. We encourage CMS to continue to study this issue, publically share related research findings with full transparency, and further refine the model, as necessary, to maximize it's potential for addressing additional Medicare cost for people with multiple chronic conditions. In order to ensure there is time to address these considerations, we also support the one-year delay in the "Payment HCC Count" Model Risk Score (ED) rollout.

### **E. Encounter Data as a Diagnosis Source for 2019**

**Summary of Changes:** For PY 2018, CMS calculated risk scores by adding 15% of the risk score calculated using encounter data and FFS diagnoses with 85% of the risk score calculated using RAPS and FFS diagnoses.

For PY 2019, CMS proposes to calculate risk scores by adding 25% of the risk score calculated using diagnoses from encounter data and FFS diagnoses with 75% of the risk score calculated with diagnoses from RAPS and FFS diagnoses.

### **SNP Alliance Comments and Recommendations:**

The SNP Alliance appreciates the efforts that CMS has made to improve the accuracy of data provided through encounter data. However, we are still concerned about the potential adverse effects that may accrue for plans specializing in care of high-risk populations through greater use of encounter data in MA payment. We therefore recommend that CMS further delay use of encounter data beyond the current 15/85 mix of encounter data and data based on RAPS/FFS diagnosis.

### **Conclusion**

The SNP Alliance, again, appreciates the opportunity to provide comments. We applaud the work and commitment by CMS to address these many important issues to improve access and care for the beneficiaries served. We are happy to answer any questions and to provide additional information, if needed.

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