Special Needs Plan Alliance

Summary: Impact of Medicare Advantage Part C Risk Score Model Change on 2024 Risk Scores SNP Alliance Member Organization Survey

The SNP Alliance commissioned a report by Milliman to examine the impact of the Part C risk score model for payment year 2024 on SNP Alliance member organizations. This report summarizes the impact of the new risk score model on SNP Alliance member organizations including the relative impact on different plan types and member cohorts. This is an update to a similar analysis performed in April 2023 with more recent data.

Data was collected from 22 SNP Alliance member organizations ranging in size from local health plans with a single D-SNP to national carriers with MA plans across the country and included well over 150 dual eligible special needs plans (D-SNPs) and 750 non-SNPs. The member organizations included I-SNP plans and C-SNP plans. However, due to small sample sizes, Milliman was unable to draw any conclusions about impacts on C-SNPs.

Milliman's analysis of SNP Alliance member organization risk score data from CMS suggests that while the impact of the new risk score model will vary significantly by plan and by MA organization, it will generally have a less favorable impact on risk scores (i.e., decrease risk scores more or increase risk scores less) for D-SNPs compared to non-SNPs. The risk score model change has a less favorable impact on D-SNP risk scores compared to non-SNP risk scores for nearly every organization included in this analysis that has at least one D-SNP and at least one non-SNP.

Key Findings

- Among the five HCC model cohorts (new enrollee, non-dual, partial dual, full dual, institutionalized), the new risk model has the most negative impact on risk score for full and partial dual enrollees. The median change in plan-level average risk scores under the 2024 model for non-institutionalized full dual and partial dual eligible beneficiaries is -1.5% and -2.5%.
- Driven by the changes above, among SNP Alliance member organization plans included in the analysis, the median change to average risk scores for D-SNPs (including Medicare-Medicaid Plans, or MMPs) is -0.3% under the 2024 model; whereas the median change to average risk score for non-SNPs is +2.1%. The impact for D-SNPs ranges from -2.6% at the 25th percentile to +1.2% at the 75th percentile of plans. The impact for non-SNPs ranges from -0.5% at the 25th percentile to +3.9% at the 75th percentile of plans.
- Results showed that FIDE- SNPs and MMPs had more favorable impacts of the risk score model change in aggregate compared to other D-SNPs. However, when drilling down to an organizational level comparing FIDE-SNPs and other D-SNPs, the impact of the risk score model was not favorable for FIDE-SNPs.
- Similarly, for I-SNPs the median average risk score is 2.6%. The impact for I-SNPs ranges from -6.4% at the 25th percentile to +4.2% at the 75th percentile of plans.

Milliman's analysis used the PY 2024 normalization factors for both the 2020 and 2024 CMS-HCC models in this analysis—the risk score normalization factors 1.146 (2020 CMS-HCC model) and 1.015 (2024 CMS-HCC model). The impact of potential coding patterns and HCC assignments are not reflected in this analysis.

Advance Notice 2025

Milliman analyzed the impact of the proposed 2025 normalization factors and the CMS estimate of one year of assumed coding trend. The table below shows the relative impact of these changes on the 2024 CMS-HCC model and 2020 CMS-HCC model separately. The combined impact of the proposed 2025 normalization factors and CMS estimate of one year of coding trend reduces the model change impact by -3.9%, leading the impact of the model change to be more unfavorable over time.

| | | CMS-HCC MODEL | | |
| | | | | DIFFERENCE |
		2024 V28	2020 V24	(V28 VS. V24)
(A)	PY2024 NORMALIZATION FACTOR	1.015	1.146	
(B)	PROPOSED PY2025 NORMALIZATION FACTOR	1.045	1.153	
(C) = (A) / (B) - 1	CHANGE IN NORMALIZATION FACTOR	-2.9%	-0.6%	-2.3%
(D)	CMS ESTIMATED CODING TREND	3.3%	5.0%	-1.6%
(E) = (1 + C) * (1 + D) - 1	TOTAL IMPACT OF CODING AND NORMALIZATION	0.3%	4.4%	-3.9%