Analysis of Medicare Advantage CY 2024 Advance Notice Comments

On February 1, 2023, the Centers for Medicare and Medicaid Services (CMS) published Calendar Year (CY) 2024 Advance Notice of Methodological Changes for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies (Advance Notice). Below, we compiled key topics and themes from various health plan trade associations (e.g., AHIP, ACAP), provider groups (e.g., APG, NAACOS), consumer organizations (e.g., Justice in Aging), think tanks (e.g., Brookings), and other stakeholders. In all, CMS received over 17,000 comments but only about 2,500 are currently posted publicly. CMS accepted comments on the CY 2024 Advance Notice through March 6, 2023 and will consider comments before publishing the Final Rate Announcement by April 3, 2023.

The most common topics and themes from across all comments include:

- Most health plan trade associations and provider groups were not in favor of proposed CMS-Hierarchical Condition Category (HCC) Risk Adjustment Model changes or had serious concerns with aspects of the proposed changes.
  - Most of these groups recommended that CMS delay proposed risk adjustment changes to allow for time to fully understand the impact, particularly on specific patient populations such as dually eligible beneficiaries.
  - Others recommended CMS phase-in changes over one to three years.
  - Many groups raised concerns relating to the process of various proposals in the Advance Notice including a lack of transparency, a lack of stakeholder engagement, and an insufficient comment timeline.
- Consumer groups and individuals (who signed coalition letters) were generally supportive of proposed risk adjustment changes.
- There was widespread support for CMS' proposed "Universal Foundation" measure set to align quality measures across MA and other programs.

	Organization	Key Topics/Themes	Summary
Health Plan Trades/ Groups	Association for Community- Affiliated Plans (ACAP)	CMS-HCC Risk-Adjustment Model, Frailty Adjuster, Universal Foundation, Star Ratings Outlier Removal Policy, CAPHs survey,	• Recommend CMS delay implementation of the proposed changes to the CMS-HCC risk model and the reduction in the frailty adjuster and publish an impact assessment of the impact of the proposed changes on D-SNPs, HIDE SNPs, and FIDE SNPs, including the underlying data used in CMS' analysis • Recommend CMS give stakeholders more time to assess and understand the proposed changes and to discuss their potential impact with CMS, including a Technical Advisory Panel of D-SNPs and other stakeholders

	Organization	Key Topics/Themes	Summary

		potential new measure concepts	• Recommend CMS phase-in any significant, future changes to the CMS-HCC risk model over 3 years
			• Support the concept and development of the Universal Foundation of Quality Measures and recommends that measures being considered for inclusion be proposed for stakeholder comment, included on the Star Ratings display page, be included in the Star Ratings for at least 3 years, and have undergone rigorous analysis and testing
			• Recommend CMS delay and reevaluate the proposed Star Ratings outlier removal policy on D-SNPs
			• Recommend CMS conduct more rigorous testing of the impact of inclusion of the web-based mode on CAHPs survey results for subgroups of beneficiaries, including duals
			• Potential new measure concepts:
			  ○ Agrees with the concept of measuring social connections and interventions, but do not believe this concept is ready to be a quality measure and requests additional detail from CMS on measurement and operationalization
			  ○ Agrees with the concept of measuring mental health care, but does not believe the Health Outcome Survey (HOS) survey is not the correct vehicle to collect data on mental health conditions, mental health care access, or health-related social needs

	Alliance of Community Health Plans (ACHP)	CMS-HCC Risk-Adjustment Model, Universal Foundation, Star ratings, addressing bad actors, risk score trend methodology	• Supports the proposed risk-adjustment model update to level the playing field, including a timelier recalibrating of the CMS-HCC Risk Adjustment Model to include updating underlying FFS data years and updating the denominator years used in determining the average per capita predicated expenditures • Recommend CMS delay implementation of the new clinical reclassification of HCCs in the V.28 model for one year to provide sufficient time to understand the new model and prepare for its implementation • Look forward to partnering with CMS on a larger effort to reduce risk-adjustment burden, target aggressive documentation practices and use targeted auditing to address bad actors

	Organization	Key Topics/Themes	Summary
			• Concerned with CMS portraying the entire health plan industry as growing average risk scores by 3.30% in 2024 and requests CMS provide back-up justification for its risk score tend growth • Supports a Universal Foundation of Measures and recommend CMS contemplate how to improve measure collection at the forefront of establishing a measure set • Recommends CMS discontinue use of the improvement measures which distort the Star Ratings • Recommend CMS exclude Part A only and Part B only beneficiaries for the USPCCs used to develop MA capitation rates and eliminate Part A only and Part B only beneficiaries FFS costs for establishing county benchmarks • Recommend CMS exclude quality payments from the benchmark cap calculation • Recommend CMS move to a risk adjustment model based on MA encounter data for diagnoses and estimating risk model coefficients to improving payment accuracy • Supports the preliminary release of an "estimate" of rebasing the county rates at the time of the Advance Notice
	America's Health Insurance Plans (AHIP)	CMS-HCC Risk-Adjustment Model, lack of transparency, comment timeline and process, Universal foundation, new measure concepts, Star ratings, MA benchmarks, ESRD payment rates, CAHPS survey	• Recommend CMS not to move forward with these changes to the risk adjustment model which AHIP believes would result in payment cuts, leading to increased premiums and/or reduce benefits, and have a disproportionate and potentially devastating impact on certain areas and populations, including duals, a setback for efforts to advance and improve health equity • Recommend if CMS chooses to propose such major risk model changes in the future, it engage in a collaborative, deliberative, and transparent process with stakeholders to understand the full range of impacts • Disagree with CMS projections that the risk score trend would result in an increase in funding • Believes there was a lack of transparency relating to various proposals in the Advance Notice and an insufficient short comment timeline and overall process for stakeholders to consider such major changes • Supports CMS' goal of a Universal Foundation and encourage CMS to look to the Core Quality Measures Collaborative (CQMC) to guide its work to define and track progress on core clinical measures that target high-priority health conditions and services

	Organization	Key Topics/Themes	Summary
			○ Recommend CMS establish a forum and bring AHIP and other stakeholders together to address questions about how the Universal Foundation will work within the current Star Ratings regulatory framework, including comment opportunities and timelines for adoption of new measures • Recommend CMS delay adoption of a social needs measure until appropriate codes and can be shared in an interoperable way between providers and plans • Recommend CMS address questions raised about the health equity index (HEI), perform additional modeling, and make certain changes prior to finalizing and adding the HEI to Star Ratings • Recommend CMS provide more information about the factors contributing to the changes in non-ESRD FFS cost projections • Recommend CMS include advance shared savings payments made as part of Innovation Center models in calculating historical FFS experience • Recommend CMS revise the way all MA benchmarks are determined to include only individuals enrolled in Parts A and B in calculating FFS costs • Recommend CMS to continue considering the use of smaller geographic areas as the basis for calculating MA ESRD benchmarks • Recommend CMS treat the addition of a web-based mode for the CAHPS survey as a substantive change in accordance with existing Star Ratings rules
	Better Medicare Alliance (BMA)	CMS-HCC Risk-Adjustment Model, Direct GME and Indirect Medical Education Adjustments, ESRD payment rates, MA Employer Group Waiver Plans, Star ratings, Universal foundation,	• Recommend CMS not to move forward with these proposed changes to the risk adjustment model which would increase premiums and/or reduce benefits, threaten access to high-quality providers, and place care innovations (including value-based care arrangements) at risk ○ Recommend CMS to instead work with stakeholders on clinically based revisions to the model, with appropriate time for analysis and implementation • Concerned with the impact associated with the one-time technical adjustment CMS is making to the calculation of the growth rate and recommend that the changes be phased-in to minimize disruption and maintain stability • Recommend CMS delay the implementation for removing graduate medical education costs from the growth rate

	Organization	Key Topics/Themes	Summary
		potential new measure concepts, CAHPS survey	• Recommend CMS ensure ESRD payment rates are accurate, stable, and sufficient; continue its consideration of changes to the methodology to calculate MA ESRD; and request CMS provide additional information on the analysis conducted in the CY 2023 Advance Notice and what the change and impact was on ESRD payment rates in the medically underserved areas • Support CMS's effort to create a Universal Foundation measure set • Support new measure concepts for identifying chronic conditions, social connection screening and intervention, mental health conditions, and addressing unmet health-related social needs • Support CMS' work on a web-based CAHPS mode, but recommend CMS ensure pathways to adequately capture responses by beneficiaries that do not have adequate internet or device access

Provider Trades/ Groups	America's Physician Groups (APG)	CMS-HCC Risk-Adjustment Model, Star ratings, Universal foundation	• Recommend CMS postpone implementation of the proposed revisions to the risk adjustment model for one year to allow time for CMS to study the variation in impact across groups that contract with MA plans, share more details about the proposed changes, and to solicit stakeholder input on concerns, data on real-world impacts, and ideas for potential modifications to proposed revisions
			  ○ If CMS opts not to postpone implementation of the proposed risk model revisions, then CMS should eliminate or revise the proposed changes to the limited number of diagnoses (approximately 20) that result in the largest share of the negative impact
			  ○ If CMS rejects both of the above recommendations, then APG proposes that CMS phase in the proposed clinical revisions to the risk adjustment model over two to three years
			• Recommend CMS carefully weigh whether proposed risk adjustment model changes will conflict with, and even defeat, proposed Star Ratings changes (in particular, those that would provide incentives for physicians to increase efforts to identify and manage chronic and mental health conditions)
			• Recommend CMS include a Star Ratings measure to reward MA plans that offer beneficiaries access to physician groups that offer value-based care and are fully accountable for the costs and quality of patients' care

	Organization	Key Topics/Themes	Summary
			• Support CMS's effort to create a Universal Foundation and greater consistency in measuring quality across Medicare
	American Medical Group Association (AMGA)	Universal foundation, CMS-HCC Risk-Adjustment Model,	• Supports CMS' proposed Universal Foundations set and believes that implementing one core set of measures over all CMS value-based programs will significantly reduce the complexity of entering into these programs and, we believe, will greatly increase provider participation • Supports CMS' transition to the ICD-10 coding system to increase alignment between CMS programs, but recommend CMS not to finalize its proposal to revise the diagnoses and condition categories in the CMS-HCC model until CMS and all stakeholders understand what the impacts of these changes will mean to MA plan design and provider delivery of care, particularly to patients with chronic conditions. ○ CMS should reconsider the removal of codes from the HCC model, extend the deadline for implementation, and work with stakeholders to project potential impacts on providers and patients prior to removing codes from the HCC model ○ The proposed removal of codes from the HCC model, many of which represent conditions prevalent among disadvantaged populations, is of concern and in stark contrast with CMS' commitment to advance health equity
	American College of Cardiology (ACC)	HCC Risk-Adjustment Model	• Recommend CMS reconsider and not move forward with proposed risk adjustment changes for the 2024 plan year and instead work with all stakeholders to assess the impacts these proposals will have on beneficiaries, especially vulnerable populations • Any proposals finalized for future implementation based on a thorough review of stakeholder input should be phased in over multiple years to maintain program stability for beneficiaries
	American Medical Association (AMA)	HCC Risk-Adjustment Model	• Recommend CMS conduct a transparent process in which stakeholders can evaluate and submit comprehensive feedback on the codes proposed for removal, given the extensive proposal to remove 2,269 codes in a single year • Enhanced transparency around the data and methodologies used to select codes and estimate the impact of these changes would be beneficial and allow stakeholders to provide detailed insights that may help to further refine these projections

	Organization	Key Topics/Themes	Summary
			• Recommend CMS conduct further modeling to assess the downstream impact these coding changes may have on quality measures, as well as any potential disproportionate impact on specific patient populations
	Agilon	HCC Risk-Adjustment Model	• Recommend CMS withdraw the proposed risk model changes for 2024 to provide more time to assess the impact on Medicare beneficiaries and the entire healthcare system.
	ChenMed	HCC Risk-Adjustment Model	• Recommend that the Advance Notice be finalized without inclusion of the Risk Model revisions and for CMS to complete the missing evaluations and stakeholder engagement, making up for the gaps in process
	Health Care Transformation Task Force	Star ratings, health equity proposals, new measure concepts	• Support CMS' proposal to stratify MA Star Ratings measure data by demographic factors that affect health access and outcomes • Support the creation of a Health Equity Index • Supports CMS working in collaboration with NCQA to develop a measure that assesses whether a beneficiary is screened for social isolation and referred to supporting interventions, and recommend that the measure allow for plans to use existing tools and infrastructure to conduct these screenings • Supports the goals of including screenings for both Generalized Anxiety Disorder (GAD) and unmet health-related social needs in the Star Ratings program, and recommends CMS consider tools – in addition to the HOS – for fielding these screening assessments in a manner that will make the information most actionable by clinicians and providers
	Medical Group Management Association (MGMA)	HCC Risk-Adjustment Model, value-based care	• Recommend CMS provide timely information and greater transparency on the estimated effect of the changes to the CMS-HCC model and detailed information and data on how CMS arrived at these proposals, including the decision to remove over 2,000 ICD-10 codes • Recommend CMS pause implementation of this proposal until information on the estimated impact on physician groups and their patients is examined, especially practices at the forefront of value-based care initiatives
	National Association of ACOs (NAACOS)	HCC Risk-Adjustment Model, value-based care, parity	• Generally support CMS efforts to reduce overpayments in MA through risk adjustment changes to help establish more parity between alternative payment models and MA • Concerned about the downstream impact on provider payment and applying this new risk adjustment model to ACOs and recommend CMS consider approaches to mitigate the impact, including phasing-in implementation over an extended period

	Organization	Key Topics/Themes	Summary
		between APMs and MA	• Recommend CMS use the same HCC model in the benchmark and performance years to avoid bias that cannot be addressed by the renormalization factor (a similar approach is used in ACO REACH) • Recommend CMS change risk score caps to +/-5 percent to account for risk score changes resulting from the model change • Recommend CMS apply consistent caps to both the ACO risk score and the regional risk score to avoid penalizing the ACO for risk score changes that are similar to the region
	National Medical Association (NMA)	HCC Risk-Adjustment Model, health equity	• Concerned that the proposals in the Advance Notice will have an adverse impact on the MA program and disproportionately impact Black communities • Recommend CMS seriously consider the consequences that the Advance Notice may have for the millions of African American seniors who rely on MA and at least preserve the current benefit structure (or ideally expand coverage and enhance MA)
	National Black Nurses Association (NBNA)	HCC Risk-Adjustment Model, health equity	• Proposed changes outlined in the Advance Notice pose a serious threat to the seniors we serve – both in terms of their financial wellbeing and their physical health • Risk adjustment changes, in particular the removal of over 2,000 ICD-10 codes, will make it more difficult to care for seniors with chronic diseases, which is more prevalent in the African American community

	Oak Street Health	HCC Risk-Adjustment Model, Universal Foundation, Star ratings, health equity index	• Oak Street's analysis of the proposed v28 CMS-HCC model demonstrates a transfer of MA resources away from underserved communities and towards higher income, healthier areas
			• Recommend CMS delay establishing new risk adjustment policy until 2025
			• Recommend small adjustments to proposed changes, including:
			  ○ Increasing demographic coefficients for dually eligible beneficiaries
			  ○ Further increasing coefficients for certain chronic illnesses overall and for dually eligible beneficiaries specifically
			  ○ Expanding frailty adjustment to all dually eligible beneficiaries, not just those in FIDE D-SNPS
			  ○ Revisiting a limited number of removed codes in the proposed v28 CMS-HCC model and reintroducing a clinically relevant subset
			  ○ Adding new codes into the proposed v28 CMS-HCC model capturing diagnoses that are inordinately prevalent in underserved communities

	Organization	Key Topics/Themes	Summary
			• Support CMS' proposed Universal Foundations set • Support Stars Health Equity Index
	One Medical	HCC Risk-Adjustment Model, value-based care	• Recommend that these proposed risk adjustment changes be reconsidered or postponed for at least a full year, which will have a disproportionately negative impact on primary care medical groups who operate in advanced value-based care arrangements to serve Medicare beneficiaries and in particular on those who predominantly serve low income and minority beneficiaries in underserved areas • The impact of the proposed changes will seriously jeopardize continued involvement in both ACO REACH and in full risk Medicare Advantage contracts, and could lead to close or constrain many clinics
Other	Brookings Institution	HCC Risk-Adjustment Model	• CMS' proposal to rebuild the HCCs based on ICD-10 codes will ensure that HCCs reflect the most up-to-date approach to diagnosis classification and may improve the model's accuracy in some cases, but include tradeoffs, as they have the effect of reducing how much information the model can draw on to predict enrollee costs ○ Any resulting reduction in the accuracy of enrollee-level predictions can create new incentives for MA plans to attract certain enrollees and may cause insurers to reduce the quality of the plans they offer to promote this type of risk selection • Recommend CMS evaluate how changes affect the model's predictive power, including by assessing changes in measures of model fit, and that CMS consider reporting measures of model fit when it updates the CMS-HCC model in the future • Recommend CMS consider the fact that MA plans are likely to adjust their coding behavior in response to incentives under any new model, so the actual improvement in payment accuracy brought about by model changes may be smaller than what CMS has estimated
	Coalition Letter from 74 health care and stakeholder organizations	HCC Risk-Adjustment Model	• Recommend CMS reconsider and not move forward with proposed risk adjustment changes for the 2024 plan year and instead work with all stakeholders to assess the impacts these proposals will have on beneficiaries, especially vulnerable populations

	Organization	Key Topics/Themes	Summary
			• Any proposals finalized for future implementation based on a thorough review of stakeholder input should be phased in over multiple years to maintain program stability for beneficiaries
	Coalition Letter from 36 individuals including Don Berwick and Mark Miller	HCC Risk-Adjustment Model	• Policy changes in the Advance Notice constitute important advances, are long overdue, and badly needed • Proposed changes will leave the MA Plans, in aggregate, in a strong financial position while penalizing those who game the risk adjustment system
	Coalition Letter from 19 industry leaders including Don Berwick, Larry Casalino, Rich Gilfillan, Elliot Fisher	HCC Risk-Adjustment Model	• Support changes to the risk adjustment methodology in the Advance Notice and urge CMS to finalize this methodology for 2024 • Recommend CMS consider additional ways to pay MA plans in a manner that better matches payment with the health burden of the population being served ○ This includes alternative risk adjustment systems that will factor in the impact of social deprivation indices on the cost and quality of care and will be better able to withstand upcoding behavior • Recommend CMS eliminate the use of percentage of premium contracts, gainsharing contracts, and other arrangement that position providers to assist plans in inappropriately increasing premium and CMS costs • Recommend CMS require MA plans to file provider risk contracts and resulting MLR's, require all MA subcontractors to meet the 85% loss ratio requirement, and include provider level identification under such contracts in public files • Recommend CMS require reporting of all inpatient claim denials and downgrades to observation status
	Duke-Margolis Center for Health Policy	HCC Risk-Adjustment Model, Universal foundation	• Support the goal of reducing the sensitivity of the HCC to "discretionary coding" that may bias the model in predicting the true costs of beneficiaries, and the complementary goals of addressing overpayment in MA and improving the accuracy of risk adjustment methodologies • Believe the proposed changes appear to have unintended consequences for beneficiaries more likely to have the conditions involved, including a significant impact

	Organization	Key Topics/Themes	Summary
			on lower-income beneficiaries and racial and ethnic minorities, and on the plans who disproportionately serve such beneficiaries • Recommend CMS conduct further beneficiary impact analyses and seek public comment to better understand these impacts and potentially support alternative policies to mitigate them, and should incorporate such analyses in proposed risk adjustment reforms in future advance notices • Recommend CMS consider a phased-in approach that minimizes impacts to the most disadvantaged by focusing on reforms for codes that more clearly reflect systematic differences in plan coding practices, not potential differences in underlying health status and complication risk • Recommend CMS implement routine administrative steps to conduct enhanced analysis of differential impacts on subgroups of beneficiaries– especially differential impacts that may impact health equity • Proposed reforms do not address two important goals for the long-term sustainability and accuracy of MA risk adjustment: increasing investments in clinical risk detection and management systems and aligning beneficiary payments with costs in accountable care delivery systems • Support CMS' proposed Universal Foundations set
	Justice in Aging	Overpayments, supplemental benefits, upcoding, Star ratings and quality bonuses, complexity of payment calculations	• Support the direction of the changes proposed in the Advance Notice • Appreciate that the proposed methodological changes for 2024 continue CMS' ongoing efforts to address these gaps between MA and traditional Medicare and Medicaid; and do so in a careful and thoughtful way that will not disrupt care delivery to individuals with MA • Support rationalizing MA payments for supplemental benefits is an important foundational element in making access to services more equitable and strengthening the services themselves • Appreciate the steps that CMS is proposing to address upcoding by modernizing claims data and reducing the impact of certain diagnosis codes that are discretionary and not connected to claims or care that the MA plan paid for • Star ratings are of limited use to beneficiaries because the majority receive ratings of 4 or more and result in plans being paid extra for performance that does not merit it

	Organization	Key Topics/Themes	Summary
			• Recommend CMS work to simplify and make more transparent the criteria by which it pays plans

	MedPAC	Removing MA-related IME and DGME payments from the non-ESRD FFS USPCC estimates, ESRD rates, CMS HCC risk adjustment model, MA coding intensity adjustment, universal foundation	• Support CMS's proposal to use the new (v28) risk adjustment model for 2024 payment to MA plans
			  ○ Eliminating HCCs and constraining the coefficients of HCCs that are found to have excessive discretionary coding variation is sound strategy to improve payment accuracy and reduce overall MA coding intensity relative to FFS
			• Support CMS's intention to create a universal foundation and recommend CMS to use their Universal Foundation approach as the basis for reviewing the current quality bonus program (QBP) measure set, and removing those that are not tied to clinical outcomes and patient experience
			• Support CMS's proposal to remove MA-related indirect medical education (IME) and direct graduate medical education (DGME) payments from the non-ESRD FFS USPCC estimates, which will make payments to MA organizations more accurate in future years
			• Does not agree with CMS' proposal to continue using the existing state-based ESRD rates for CY 2024
			  ○ State-based dialysis rates reflect both the per capita costs for FFS beneficiaries using dialysis and the geographic distribution of those FFS beneficiaries across the counties in each state, which often differs from the geographic distribution of MA enrollees using dialysis in the same state
			  ○ Instead, recommend CMS paying MA plans based on the geographic distribution of MA dialysis patients
			• Recommend CMS increase the coding intensity adjustment to reflect the magnitude of excess spending more fully, such as MedPAC's recommendation to replace the existing mandatory minimum coding intensity adjustment:
			  ○ Develop a risk adjustment model that uses two years of FFS and MA diagnostic data,
			  ○ Exclude diagnoses that are documented only on health risk assessments from either FFS or MA, and then

	Organization	Key Topics/Themes	Summary
			○ Apply a coding adjustment that fully accounts for the remaining differences in coding between FFS Medicare and MA plans