



Working Together for an Affordable Future

November 25, 2015

Cheri Rice  
Director  
Medicare Plan Payment Group  
Centers for Medicare & Medicaid Services  
7500 Security Blvd.  
Baltimore, MD, 21244-1850

**Re: Proposed Updates to the CMS-HCC Risk Adjustment Model for CY 2017**

Dear Ms. Rice:

I write to offer the response of the National Coalition on Health Care to the request for public comment on CMS' October 28<sup>th</sup> memorandum regarding updates to the CMS-HCC Risk Adjustment Model.

NCHC is the nation's largest, most broadly representative nonpartisan alliance of organizations focused on health care. The Coalition is committed to advancing—through research and analysis, education, outreach, and informed advocacy— an affordable, high-value health care system for patients and consumers, for employers and other payers, and for taxpayers. Our members and supporters include nearly 90 of America's largest and leading associations of health care providers; businesses and unions; consumer and patient advocacy groups; pension and health funds; religious denominations; and health plans. Our member organizations represent—as employees, members, congregants, or volunteers—more than 150 million Americans.

Medicare Advantage and Medicare-Medicaid Plans each have the potential to contribute transformative reforms to chronic care—reforms that may ultimately improve care and lower costs in traditional Medicare and systemwide. But NCHC believes this potential can only be realized with a risk adjustment system that accurately accounts for the cost of treating all enrollees, especially the most vulnerable.

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We commend CMS for its attention this important issue. As CMS' October 28 memo confirms, at this time, the CMS-HCC model fails to fully account for the impact of fully dually eligible status and disability on plan costs. As a consequence, those who enroll and assume responsibility for the care of these often vulnerable beneficiaries are punished financially, while those who do not are rewarded.

CMS has laid out a thoughtful approach, providing adjustments to the CMS-HCC Model that better reflect the impact of full dual status and disability on plan costs. **NCHC believes that CMS should act as soon as feasible to address this problem and that the proposed adjustment outlined in the October 28 memo is a potentially constructive step forward.**

At the same time, CMS should press forward with additional efforts to further examine and refine its risk adjustment models. In particular, we urge CMS to immediately undertake analysis to better explain the difference in the impact of the current 2014 HCC model on partial duals relative to full duals. Additionally, we understand that other commenters have requested that CMS promptly clarify whether this proposed adjustment would be budget neutral and thereby avoid reductions in overall payments to MA plans. NCHC supports that request.

Should you or your staff have questions regarding these comments or other issues, please do not hesitate to contact NCHC's Policy Director Larry McNeely at [lmcneely@nchc.org](mailto:lmcneely@nchc.org).

Yours truly,



John Rother  
President and CEO