What Did CMS Propose for 2017?

CMS wants to make a major change to the Medicare Advantage risk adjustment model (which is used to determine payments to Medicare Advantage plans) by predicting costs differently for beneficiaries dually eligible for Medicare and Medicaid and the disabled. Under the new model, beneficiary risk scores would be calculated separately for “full dual eligibles,” “partial dual eligibles,” and “non-dual eligibles,” with each of those categories further divided based on disabled or non-disabled status. In addition, under the new risk adjustment model CMS would identify dual eligible status “concurrently” — the status would be determined and adjusted on a monthly basis during the payment year. Under the existing approach, dual eligible status (like health status) is determined prospectively, i.e., it is based on such status in the year preceding the payment year.

What Should CMS Do?

Given the program-wide impacts noted here, CMS should not move forward with the 2017 model as is currently constructed.

Proposals reducing funding to the Medicare Advantage program and adding administrative costs and complexities have the potential to promote instability for the beneficiaries who depend upon our member plans to provide better care and improve outcomes compared to the fee-for-service program, and are inconsistent with national policy goals of early detection, treatment, and prevention of chronic illness.

AHIP and our member plans are committed to continuing to work with the Agency to improve the risk adjustment model.

Why Not Define Dual Eligibility “Concurrently”?

Due to significant data quality problems and delays in data transmission between MA plans and states, determining dual eligibility status concurrently would introduce new levels of administrative cost, operational complexity (including retroactive changes), and uncertainty into Medicare Advantage that could harm plans and beneficiaries.