

CMS has released **Advance Notice of Methodological Changes for Calendar Year (CY) 2022 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies – Part I, CMS-HCC Risk Adjustment Model**

**Some of the highlights and salient changes of the Advance Notice Part I for LTC providers and LTC provider owned plans are:**

1. As required by the 21<sup>st</sup> Century Cures Act, CMS proposes to fully transition to the risk adjustment model first outlined in the CY 2020 Rate Announcement, the 2020 CMS-HCC model. CMS will calculate 100% of the risk score based on the 2020 CMS-HCC model instead of the hybrid model used during the transition period over the past two years.
2. CMS is accelerating the timeline for release of the Advance Notice to offer more time for MA organizations to consider the information in Part 1 in light of the COVID 19 pandemic as plans prepare for bid submission which is due June 1, 2021. Part II may be published in the Fall of 2020 to provide plans additional time to review, analyze and develop assumptions for Bids. Conversely, CMS may elect to keep the same traditional timeline.
3. Data assumptions used by CMS will remain the same for Part I. However, the schedule change and early publication of Part II may impact calculations and methodologies. CMS believes the advantages of having additional time to develop bids will outweigh any changes to calculations.
4. CMS proposes to discontinue the use of RAPS data and transition fully to using diagnoses from MA encounter data and FFS claims.
5. CMS estimates the economic impact of the proposed changes to result in a \$633.8 million net cost to the Medicare Trust Fund in 2022.