CMS Proposes Major Changes to Medicare Advantage HCC Codes in 2024

This article will discuss changes to Hierarchical Condition Category (HCC) codes, disease mappings and disease coefficient values proposed in the Medicare Advantage 2024 Advance Notice which is slated for implementation in 2024. The proposed CMS-HCC model to determine risk adjustment factor (RAF) scores for Medicare Advantage beneficiaries will be referred to as CMS-HCC Version 28 (V28). It will replace the current model, version 24 (V24). CMS made significant changes to the structure of the HCC model in V28, including:

- How the V28 HCC codes are named and numbered
- An expanded number of HCCs
- Changes to ICD-10-CM code to HCC mappings
- Changes to the HCC coefficient values
- Removal of 2,294 diagnosis codes that no longer map to a payment HCC
- Addition of 268 diagnosis codes that did not map to a payment CMS-HCC in V24

These changes will significantly impact RAF scores for a large percentage of Medicare Advantage beneficiaries. CMS used updated fee-for-service data years (including 2018 diagnoses and 2019 expenditures) to calibrate the V28 model. They stated the proposed model "results in more appropriate relative weights for the HCCs in the model because they reflect more recent utilization, coding and expenditure patterns in FFS Medicare." CMS decided not to include HCCs (and diagnoses) in the V28 model if:

- The conditions did not accurately predict costs
- Coefficients were small
- The conditions they represent are uncommon
- Conditions that did not have "well-specified" diagnostic coding criteria

CMS has released a file titled "PY 2024 Proposed Clinical Revision Part C Model ICD-10-CM Mappings", which provides detailed insight at the level of specific ICD-10-CM codes and HCC codes. It provides the proposed ICD-10-CM mappings to V28 HCC codes as well as current ICD-10-CM mappings to V24 HCC codes. Based on the information in this file 2,294 ICD-10-CM codes that mapped to a payment HCC in V24 no longer map to a payment HCC in V28. Selected groups of related conditions and examples of impacted ICD-10-CM codes impacted by the proposed changes are shown in the table below. (Please see the expanded Table 1B in the appendix that includes examples of impacted codes with disease descriptions for additional details).

Table 1A

Sampling of Impacted Conditions (Grouped)	Sampling of Impacted ICD-10-CM Codes	V24 HCC Code
Protein-calorie malnutrition & Cachexia	E43, E44.0, E44.1, E46, E64.0, R64	21

Disorder of parathyroid gland	E20.0, E20.8, E20.9, E21.0, E21.1, E21.2, E21.3, E21.4, E21.5, E89.2	23
Polymyalgia rheumatica	M35.3	40
Sjogren syndrome, systemic connective tissue diseases, and sacroiliitis	M35.00, M35.01, M35.03, M35.04, M35.05, M35.06, M35.07, M35.08, M35.09, M35.0A, M35.0B, M35.0C, M35.89, M35.9, M36.8, M46.1	40
Coagulation defects & Purpura	D68.69, D68.8, D69.0, D69.2, D69.6, D69.8, D69.9	48
Major depressive disorder specified as mild or in remission	F32.0, F32.4, F32.5, F33.0, F33.40, F33.41, F33.42, F33.8, F33.9	59
Certain Polyneuropathy Conditions (including Guillain-Barre Syndrome)	G61.0, G61.1, G61.89, G61.9, G62.0, G62.1, G62.2, G62.81, G62.82, G63, G65.0, G65.1, G65.2	75
Coma Scale with flexion withdrawal	R40.2340, R40.2341, R40.2342, R40.2343, R40.2344	80
Certain Angina pectoris	I20.1, I20.2, I20.8, I20.9, I25.111, I25.112, I25.118, I25.119	88
Supraventricular tachycardia	I47.1	96
Certain peripheral vascular disease conditions	I73.89, I73.9	108
Aortic aneurysms without rupture	I71.2, I71.20, I71.21, I71.22, I71.23, I71.4, I71.40, I71.41, I71.42, I71.43, I71.6, I71.60, I71.61, I71.62, I71.9.	108
Aortic Ectasia	I77.810, I77.811, I77.812, I77.819	108
Certain Atherosclerosis of Aorta, Renal Artery, Extremities	I70.0, I70.1, I70.201, I70.202, I70.203, I70.208, I70.209, I70.211, I70.212, I70.213, I70.218, I70.219	108
Dependence on renal dialysis	Z99.2	134
Acute kidney failure	N17.0, N17.1, N17.2, N17.8, N17.9	135
Concussion with sequelae	S06.0X0S, S06.0X1S, S06.0X9S, S06.0XAS (Note: all cranial and facial trauma sequelae codes do not map to a payment HCC in V28	167
Acquired absence of toe	Z89.411, Z89.412, Z89.419, Z89.421, Z89.422, Z89.429	189

CMS acknowledged that the changes in the proposed rule could change beneficiary risk scores with or without a change in the patient's health status. They stated the proposed model "results in more appropriate relative weights for the HCCs in the model because they reflect more recent utilization, coding and expenditure patterns in FFS Medicare." CMS used a process referred to as constraining, where related HCCs are given the same coefficients. A significant example of constraining in the V28 model affects the Diabetes diagnosis category. The contribution to the RAF score from diabetic disorders will not change regardless of whether the patient has uncomplicated diabetes or diabetes with complications (See Table 2 in Appendix for details). However, type 2 diabetes mellitus without complications (E11.9), for example, will receive a slightly higher coefficient in V28 that it currently does in V24 (i.e., from 0.105 to 0.166). Overall, this will result in a significant reduction in the RAF score for patients with acute or chronic complications from diabetes. The financial impact on MAOs and other stakeholders will depend on case mix.

A relatively small number of diagnosis codes that did not map to a payment HCC will map to a payment HCC in V28 as proposed. Notable examples are available in Table 3 of the Appendix. Of the 268 "new" ICD-10-CM diagnosis codes that map to a CMS-HCC in V28, 95 of these codes are from Chapter 16 of ICD-10-CM titled "Certain conditions originating in the perinatal period" and an additional 17 codes are from Chapter 17 of ICD-10-CM "Congenital malformations, deformations and chromosomal abnormalities." Thus, over 40% of the new codes represent conditions not encountered in the majority of patients in the Medicare Advantage population.

The overall impact of the proposed changes on beneficiary RAF scores will depend on several factors, however RAF score in general will likely decline. CMS projects that the CY 2024 impact on MA risk scores of the proposed Part C CMS-HCC model is projected to be -3.12%. This projects to $11.0 billion in net savings to the Medicare Trust fund in 2024. Actual PMPM payment amounts are based on multiple addition factors.

The following examples demonstrate the potential impact of the proposed changes on RAF scores (based on disease coefficients only) in 2023 vs. 2024.

Example 1. Significant negative impact on risk score based on disease coefficients in a Community, NonDual, Aged 73-year-old female beneficiary with multiple conditions. Only the disease coefficients for V24 and V28 are shown.

V24 HCC Coefficients			**V28 HC Coefficients**		
Community, NonDual, Aged Beneficiary.	Age 70-74 years		Community, NonDual, Aged Beneficiary.	Age 70-74 years	
HCC21	Protein Calorie Malnutrition	0.455		Protein Calorie Malnutrition	n/a
HCC96	Atrial Fibrillation	0.268	HCC238	Atrial Fibrillation	0.299
HCC18/HCC108	Diabetes with PVD	0.302 + 0.288	HCC37	Diabetes with PVD	0.166
HCC85	Chronic Systolic CHF	0.331	HCC226	Chronic Systolic CHF	0.36
HCC189	Toe Amputation	0.519		Toe Amputation	n/a
	Dx interaction DM + CHF	0.121		Dx interaction DM + CHF	0.112
	Dx interaction CHF+ AFIB	0.085		Dx interaction CHF+ AFIB	0.077
	6 HCCS (Condition Count Factor)	0.077		4 HCCs (Condition Count Factor)	n/a
		Total V24 Disease Coefficient Risk Score: 2.446			**Total V28 Disease Coefficient Risk Score: 1.014**

Example 2. Impact of the disease coefficient component of the risk score in a patient with multiple chronic conditions, including a diagnosis that "newly" maps to a payment CMS-HCC in V28 (Alcoholic hepatitis without ascites (K70.10)).

V24 HCC Coefficients			**V28 HCC Coefficients**		
Community, NonDual, Aged Beneficiary.	Age 70-74 years		Community, NonDual, Aged Beneficiary.	Age 70-74 years	
No HCC	Alcoholic hepatitis without ascites (K70.10)	N/A	HCC65	Alcoholic hepatitis without ascites (K70.10)	0.185
HCC48	Other nonthrombocytopenic purpura (D69.2)	0.192	N/A	Other nonthrombocytopenic purpura (D69.2)	N/A
HCC59	Major depressive disorder, single episode, in full remission (F32.5)	0.309	N/A	Major depressive disorder, single episode, in full remission (F32.5)	N/A
HCC88	Refractory angina pectoris (I20.2)	0.135	N/A	Refractory angina pectoris (I20.2)	N/A
	3 HCCs (Condition Count Factor)	0		1 HCC (Condition Count Factor)	0
		Total V24 Disease Coefficient Risk Score: 0.636			**Total V28 Disease Coefficient Risk Score: 0.185**

In summary, a large number of relatively common conditions will not map to a payment HCC in V28, indicating that RAF scores will decrease for many beneficiaries. CMS's use of constraining, where related HCCs like the those for diabetes have the same coefficients are also likely to impact RAF scores for a large percentage of patients. Once the changes are finalized, stakeholders will need to determine the overall impact based on their case mix, including changes that positively and negatively impact RAF scores.

Medicare Advantage 2024 Advance Notice and the recently published RADV final rule are likely to create additional challenges for MAOs and other stakeholders. There needs to be continued benchmarking of current member health statuses and analysis of how these changes will impact their organization. Investing in technologies that allow for the accurate and efficient coding of large volumes of clinical documents will be key in how MAO's and other stakeholders can effectively manage their risk adjustment program. Is your organization prepared for the changes?

Appendix

Table 1B. Selected examples of diagnosis codes that will no longer map to a payment HCC in 2024 (as proposed)

Selected Diagnosis Codes that Map to a Payment CMS-HCC in version 24 that no longer map to a CMS-HCC payment HCC in the proposed V28 model. This is not a complete listing. Please see the most recent ICD-10-CM to CMS-HCC mapping table for comprehensive and updated information.		
ICD-10-CM Code	**Description**	**Legacy V24 HCC Code**
Protein Calorie Malnutrition		21
E43	Unspecified severe protein-calorie malnutrition	21
E44.0	Moderate protein-calorie malnutrition	21
E44.1	Mild protein-calorie malnutrition	21
E46	Unspecified protein-calorie malnutrition	21
E64.0	Sequelae of protein-calorie malnutrition	21
R64	Cachexia	21
Parathyroid Disorders		**23**
E20.0	Idiopathic hypoparathyroidism	23
E20.8	Other hypoparathyroidism	23
E20.9	Hypoparathyroidism, unspecified	23
E21.0	Primary hyperparathyroidism	23
E21.1	Secondary hyperparathyroidism, not elsewhere classified	23
E21.2	Other hyperparathyroidism	23
E21.3	Hyperparathyroidism, unspecified	23
E21.4	Other specified disorders of parathyroid gland	23
E21.5	Disorder of parathyroid gland, unspecified	23
Polymyalgia rheumatica		40
M35.3	Polymyalgia rheumatica	40
Sjogren Syndrome		**40**
M342	Systemic sclerosis induced by drug and chemical	40
M3500	Sjogren syndrome, unspecified	40
M3501	Sjogren syndrome with keratoconjunctivitis	40
M3503	Sjogren syndrome with myopathy	40
M3504	Sjogren syndrome with tubulo-interstitial nephropathy	40
M3505	Sjogren syndrome with inflammatory arthritis	40
M3506	Sjogren syndrome with peripheral nervous system involvement	40
M3507	Sjogren syndrome with central nervous system involvement	40
M3508	Sjogren syndrome with gastrointestinal involvement	40
M3509	Sjogren syndrome with other organ involvement	40
M350A	Sjogren syndrome with glomerular disease	40

M350B	Sjogren syndrome with vasculitis	40
M350C	Sjogren syndrome with dental involvement	40
Coagulation Defects		**48**
D68.312	Antiphospholipid antibody with hemorrhagic disorder	48
D68.318	Other hemorrhagic disorder due to intrinsic circulating anticoagulants, antibodies, or inhibitors	48
D68.32	Hemorrhagic disorder due to extrinsic circulating anticoagulants	48
D68.4	Acquired coagulation factor deficiency	48
D68.51	Activated protein C resistance	48
D68.52	Prothrombin gene mutation	48
D68.59	Other primary thrombophilia	48
D68.61	Antiphospholipid syndrome	48
D68.62	Lupus anticoagulant syndrome	48
D68.69	Other thrombophilia	48
D68.8	Other specified coagulation defects	48
D68.9	Coagulation defect, unspecified	48
D69.0	Allergic purpura	48
Major Depressive Disorder (Single/Recurrent, In Remission/Recurrent)		**59**
F32.0	Major depressive disorder, single episode, mild	59
F32.4	Major depressive disorder, single episode, in partial remission	59
F32.5	Major depressive disorder, single episode, in full remission	59
F33.0	Major depressive disorder, recurrent, mild	59
F33.40	Major depressive disorder, recurrent, in remission, unspecified	59
F33.41	Major depressive disorder, recurrent, in partial remission	59
F33.42	Major depressive disorder, recurrent, in full remission	59
F33.8	Other recurrent depressive disorders	59
F33.9	Major depressive disorder, recurrent, unspecified	59
Polyneuropathy		75
G61.9	Inflammatory polyneuropathy, unspecified	75
G62.0	Drug-induced polyneuropathy	75
G62.1	Alcoholic polyneuropathy	75
G62.2	Polyneuropathy due to other toxic agents	75
G62.81	Critical illness polyneuropathy	75
G62.82	Radiation-induced polyneuropathy	75
G63	Polyneuropathy in diseases classified elsewhere	75
G65.0	Sequelae of Guillain-Barre syndrome	75
G65.1	Sequelae of other inflammatory polyneuropathy	75
G65.2	Sequelae of toxic polyneuropathy	75
Angina Pectoris		**88**
I20.1	Angina pectoris with documented spasm	88

I20.2	Refractory angina pectoris	88
I20.8	Other forms of angina pectoris	88
I20.9	Angina pectoris, unspecified	88
I25.111	Atherosclerotic heart disease of native coronary artery with angina pectoris with documented spasm	88
I25.112	Atherosclerotic heart disease of native coronary artery with refractory angina pectoris	88
I25.118	Atherosclerotic heart disease of native coronary artery with other forms of angina pectoris	88
I25.119	Atherosclerotic heart disease of native coronary artery with unspecified angina pectoris	88
Coma Scale		**80**
R40.2340	Coma scale, best motor response, flexion withdrawal, unspecified time	80
R40.2341	Coma scale, best motor response, flexion withdrawal, in the field [EMT or ambulance]	80
R40.2342	Coma scale, best motor response, flexion withdrawal, at arrival to emergency department	80
R40.2343	Coma scale, best motor response, flexion withdrawal, at hospital admission	80
R40.2344	Coma scale, best motor response, flexion withdrawal, 24 hours or more after hospital admission	80
Supraventricular tachycardia		**96**
I47.1	Supraventricular tachycardia	96
Peripheral Vascular Disease (Other/Unspecified)		**108**
I73.89	Other specified peripheral vascular diseases	108
I73.9	Peripheral vascular disease, unspecified	108
Aortic Aneurysm without Rupture		**108**
I71.2	Thoracic aortic aneurysm, without rupture	108
I71.20	Thoracic aortic aneurysm, without rupture, unspecified	108
I71.21	Aneurysm of the ascending aorta, without rupture	108
I71.22	Aneurysm of the aortic arch, without rupture	108
I71.23	Aneurysm of the descending thoracic aorta, without rupture	108
I71.4	Abdominal aortic aneurysm, without rupture	108
I71.40	Abdominal aortic aneurysm, without rupture, unspecified	108
I71.41	Pararenal abdominal aortic aneurysm, without rupture	108
I71.42	Juxtarenal abdominal aortic aneurysm, without rupture	108
I71.43	Infrarenal abdominal aortic aneurysm, without rupture	108
I71.6	Thoracoabdominal aortic aneurysm, without rupture	108
I71.60	Thoracoabdominal aortic aneurysm, without rupture, unspecified	108
I71.61	Supraceliac aneurysm of the abdominal aorta, without rupture	108

I71.62	Paravisceral aneurysm of the abdominal aorta, without rupture	108
I71.9	Aortic aneurysm of unspecified site, without rupture	108
Aortic Ectasia		**108**
I77.810	Thoracic aortic ectasia	108
I77.811	Abdominal aortic ectasia	108
I77.812	Thoracoabdominal aortic ectasia	108
I77.819	Aortic ectasia, unspecified site	108
Atherosclerosis of Aorta, Renal Artery, Extremities		**108**
I70.0	Atherosclerosis of aorta	108
I70.1	Atherosclerosis of renal artery	108
I70.201	Unspecified atherosclerosis of native arteries of extremities, right leg	108
I70.202	Unspecified atherosclerosis of native arteries of extremities, left leg	108
I70.203	Unspecified atherosclerosis of native arteries of extremities, bilateral legs	108
I70.208	Unspecified atherosclerosis of native arteries of extremities, other extremity	108
I70.209	Unspecified atherosclerosis of native arteries of extremities, unspecified extremity	108
I70.211	Atherosclerosis of native arteries of extremities with intermittent claudication, right leg	108
I70.212	Atherosclerosis of native arteries of extremities with intermittent claudication, left leg	108
I70.218	Atherosclerosis of native arteries of extremities with intermittent claudication, other extremity	108
I70.213	Atherosclerosis of native arteries of extremities with intermittent claudication, bilateral legs	108
I70.219	Atherosclerosis of native arteries of extremities with intermittent claudication, unspecified extremity	108
Dependence on renal dialysis		**134**
Z99.2	Dependence on renal dialysis	134
Acute Kidney Failure		**135**
N17.0	Acute kidney failure with tubular necrosis	135
N17.1	Acute kidney failure with acute cortical necrosis	135
N17.2	Acute kidney failure with medullary necrosis	135
N17.8	Other acute kidney failure	135
N17.9	Acute kidney failure, unspecified	135
Concussion with Sequelae		**167**
S06.0X0S	Concussion without loss of consciousness, sequela	167
S06.0X1S	Concussion with loss of consciousness of 30 minutes or less, sequela	167
S06.0X9S	Concussion with loss of consciousness of unspecified duration, sequela	167
S06.0XAS	Concussion with loss of consciousness status unknown, sequela	167

Acquired Absence of Toe		189
Z89.411	Acquired absence of right great toe	189
Z89.412	Acquired absence of left great toe	189
Z89.419	Acquired absence of unspecified great toe	189
Z89.421	Acquired absence of other right toe(s)	189
Z89.422	Acquired absence of other left toe(s)	189
Z89.429	Acquired absence of other toe(s), unspecified side	189

Table 2. HCC coefficient constraining example in the V28 model compared to the V24 model.

V28 Variable	Description Label	Community, NonDual, Aged	Community, NonDual, Disabled	Community, FBDual, Aged	Community, FBDual, Disabled	Community, PBDual, Aged	Community, PBDual, Disabled	Institu-tional
V28 HCC36	Diabetes with Severe Acute Complications	0.166	0.191	0.186	0.235	0.166	0.210	0.280
V28 HCC37	Diabetes with Chronic Complications	0.166	0.191	0.186	0.235	0.166	0.210	0.280
V28 HCC38	Diabetes with Glycemic, Unspecified, or No Complications	0.166	0.191	0.186	0.235	0.166	0.210	0.280
V24 HCC 17	Diabetes with Acute Complications	0.302	0.351	0.340	0.423	0.326	0.373	0.440
V24 HCC 18	Diabetes with Chronic Complications	0.302	0.351	0.340	0.423	0.326	0.373	0.440
V24 HCC 19	Diabetes without Complication	0.105	0.124	0.107	0.145	0.087	0.122	0.178

Table 3.

Selected examples of diagnosis codes that did not map to a payment HCC Code in V24 but newly map to a payment HCC in V28.			
ICD-10-CM Code	**Description**	**V24 HCC**	**V28 HCC**
F5000	Anorexia nervosa, unspecified	N/A	153
F5001	Anorexia nervosa, restricting type	N/A	153
F5002	Anorexia nervosa, binge eating/purging type	N/A	153

F502	Bulimia nervosa	N/A	153
G7241	Inclusion body myositis [IBM]	N/A	93
J4550	Severe persistent asthma, uncomplicated	N/A	279
J4551	Severe persistent asthma with (acute) exacerbation	N/A	279
J4552	Severe persistent asthma with status asthmaticus	N/A	279
J910	Malignant pleural effusion	N/A	17
K7010	Alcoholic hepatitis without ascites	N/A	65
K7011	Alcoholic hepatitis with ascites	N/A	65
K713	Toxic liver disease with chronic persistent hepatitis	N/A	65
K714	Toxic liver disease with chronic lobular hepatitis	N/A	65
K7150	Toxic liver disease with chronic active hepatitis without ascites	N/A	65
K7151	Toxic liver disease with chronic active hepatitis with ascites	N/A	65
K717	Toxic liver disease with fibrosis and cirrhosis of liver	N/A	64
K8301	Primary sclerosing cholangitis	N/A	68
K8309	Other cholangitis	N/A	68
K831	Obstruction of bile duct	N/A	68
R180	Malignant ascites	N/A	17
Z9713	Presence of artificial right leg (complete) (partial)	N/A	409
Z9714	Presence of artificial left leg (complete) (partial)	N/A	409
Z9716	Presence of artificial legs, bilateral (complete) (partial)	N/A	409