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March 4, 2022

Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Ms. Brooks-LaSure:

On behalf of AMGA, I appreciate the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) Advance Notice of Methodological Changes for Calendar Year (CY) 2022 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies.

Founded in 1950, AMGA represents more than 440 multispecialty medical groups and integrated delivery systems, representing about 175,000 physicians who care for one in three Americans. Our member medical groups work diligently to provide high-quality, cost-effective patient-centered medical care.

MA, with its supplemental benefits and cap on out-of-pocket costs, provides an attractive benefit package for beneficiaries and offers providers flexibilities not available under fee-for-service (FFS) Medicare. Our member groups see the value and stability in the MA program, as it provides a consistent set of rules and a financing mechanism that allows them to focus on delivering high-quality care, which encourages care coordination. AMGA and our members are invested in the stability of the MA program and support policies that will allow plans to continue to offer robust benefits to their enrollees.

Medicare Advantage remains incredibly popular and enjoys bipartisan support in Congress. For example, more than 340 member of Congress recently wrote in support of the program and recommended that CMS "provide a stable rate and policy environment that ensure Medicare Advantage can continue to provide the affordable, high-quality, patient-centered coverage our constituents rely on every day." AMGA shares this goal for the MA program.

We are pleased to offer the following recommendations on the CY 2022 Advance Notice.

Key Recommendations:

Coding Pattern Adjustment: CMS is proposing for calendar year 2023 to apply a coding adjustment factor of 5.90%, the statutory minimum. AMGA recommends that CMS finalize the coding pattern adjustment as proposed.

Risk Adjustment Model Changes: CMS should finalize its proposal using the recently phased-in 2020 CMS Hierarchical Condition Categories (CMS-HCC) model. CMS also should model the effect of including social determinants of health in the model before moving forward with any proposed changes.

AMGA is pleased to offer our full comments on the 2023 Advanced Notice.

Payment Change

CMS estimates an expected average change in revenue of 7.98% after the application of advance notice policies. AMGA is generally pleased with this year-to-year percentage change, as it will help to continue improving the program and grow participation.

Coding Intensity Adjustment

Each year, CMS proposes a statutorily required adjustment to account for the differences in diagnosis coding between MA organizations and fee-for-service (FFS) providers. For 2023, CMS is proposing to apply a coding pattern adjustment of 5.9%, which is the minimum adjustment for coding pattern differences required by statute. AMGA is pleased that CMS is proposing the minimum adjustment and recommends that the proposal be finalized.

Risk Adjustment Model Changes

CMS is proposing to continue with its 2022 policy and calculate 100% of the risk score for Medicare Advantage using the 2020 CMS Hierarchical Condition Categories (CMS-HCC) model. Previously, CMS had phased in the use of this model; AMGA recommended that CMS complete the phase-in for 2022 and is pleased that no significant changes are proposed. To that end, CMS should finalize its proposal for the 2023 CMS-HCC model as proposed.

CMS is also seeking feedback on adjusting the CMS-HCC model to account for the effects of social determinants of health on beneficiary health status. For example, CMS is requesting comments on which factors should be considered and how changes to the model would promote health equity. AMGA shares CMS' goal of improving health equity and ensuring Medicare Advantage plans support providers' efforts to address, to the extent possible, the social needs of patients.

AMGA recommends that CMS work with stakeholders to determine what sources of data are available and how such data can be standardized and operationalized before being incorporated into the CMS-HCC model. Stable and accurate risk adjustment models rely on a robust and accurate data source. Health plans currently do not have a central or uniform method to report social risk factor data at scale. Before collecting such information, it is important that CMS evaluate which current data sources exist and how they might be leveraged in a risk adjustment model.

AMGA also recommends that CMS model any proposed changes to the CMS-HCC system so providers and plans have an opportunity to evaluate any possible updates to the risk-adjustment system. By modeling any potential changes to the CMS-HCC model before implementing, CMS, providers, and MA plans will have a better understanding of how factoring social determinants into the risk adjustment will affect the health outcome of MA beneficiaries.

We thank CMS for consideration of our comments. Should you have questions, please contact Darryl M. Drevna, AMGA's senior director of regulatory affairs, at 703.838.0033 ext. 339 or at ddrevna@amga.org.

Sincerely,

A handwritten signature in cursive script, reading "Jerry Penso". The signature is written in a dark ink and is positioned above the printed name and title.

Jerry Penso, M.D., M.B.A.
President and Chief Executive Officer
AMGA