

Version 04 HHS-HCC Risk Adjustment Modeling “Statistical Analysis System (SAS)”

Software Documentation

Section 1343 of the Affordable Care Act provides for a permanent risk adjustment program. To protect against potential effects of adverse selection, the risk adjustment program transfers funds from plans with relatively lower-risk enrollees to plans with relatively higher-risk enrollees. It generally applies to non-grandfathered individual and small group plans inside and outside Marketplaces.

The HHS risk adjustment methodology is described in the HHS Notice of Benefit and Payment Parameters for 2014, final rule (CMS-9964-F), which was published in the *Federal Register* on March 11, 2013.

The methodology that HHS will use when operating a risk adjustment program on behalf of a State for the 2015 benefit year will calculate a plan average risk score for each covered plan based upon the relative risk of the plan’s enrollees, and apply a payment transfer formula in order to determine risk adjustment payments and charges between plans within a risk pool within a market within a State. The risk adjustment methodology addresses three considerations: (1) the newly insured population; (2) plan metal level differences and permissible rating variation; and (3) the need for risk adjustment transfers that net to zero. The risk adjustment methodology developed by HHS for the 2015 benefit year:

- Is developed on commercial claims data for a population similar to the expected population to be risk adjusted;
- Employs the hierarchical condition category (“HCC”) grouping logic used in the Medicare risk adjustment program, but with HCCs refined and selected to reflect the expected risk adjustment population;
- Establishes concurrent risk adjustment models, one for each combination of metal level (platinum, gold, silver, bronze, catastrophic) and age group (adult, child, infant);
- Results in payment transfers that net to zero within a risk pool within a market within a State;
- Adjusts payment transfers for plan metal level, geographic rating area, induced demand, premium assistance Medicaid alternative plans, and age rating, so that transfers reflect health risk and not other cost differences; and
- Transfers funds between plans within a risk pool within a market within a State.

This document provides instructions for the HHS risk adjustment models for the 2015 benefit year, with revisions from the software instructions posted on the CCIIO website on June 2, 2014.

Key Revisions:

- Expanded instructions related to ICD-10 diagnosis codes.
- Removed these bill types and accompanying instructions from the inpatient facility source of diagnosis (Section III):
 - bill type 112 (inpatient interim-first claim);
 - bill type 113 (inpatient interim-continuing claim);

- bill type 114 (inpatient interim-last claim); and
 - bill type 116 (inpatient adjustment of prior claim)
 so that the remaining bill types (for final claims) match those accepted by the EDGE server.
- Removed these bill types from the outpatient facility source of diagnosis (Section II):
 - bill type 132 (hospital outpatient interim-first claim);
 - bill type 133 (hospital outpatient interim-continuing claim);
 - bill type 134 (hospital outpatient interim-last claim); and
 - bill type 136 (hospital outpatient adjustment of prior claim)
 and revised the number of these outpatient facility bill types:
 - from bill type 71x (rural health clinic) to 711 (rural health clinic admit though discharge) and 717 (rural health clinic replacement of prior claim)
 - from bill type 76x (community mental health center) to 761 (community mental health center admit though discharge) and 767 (community mental health center replacement of prior claim); and
 - from bill type 77x (federally qualified health center) to 771 (federally qualified health center admit though discharge) and 777 (federally qualified health center replacement of prior claim)
 so that the remaining or revised bill types (for final claims) match those accepted by the EDGE server.
- Revised note on bundled claims for mother and newborn infant to include ICD-10 (Section III), and added warning message for bundled claim records (V0416F1M).
- Renumbered Tables 1, 2, and 3 as Tables 2, 3 (3a and 3b), and 4 to match the numbering for the corresponding tables in the 2015 HHS-HCC “DIY” version. (This “SAS” software no longer has a Table 1.)
- Renumbered Table 1 as Table 2 and updated it to add 2015 CPT/HCPCS codes used for diagnosis filtering, as described in Section III. Also updated Table 2 to include review of 2015 quarterly updates with effective dates through October 1, 2015. Removed 2012 column of code information (used for historical data purposes).
- Renumbered Table 2 (ICD-9 to HHS-Condition Categories Crosswalk) as Table 3a. Updated Table 3a to add FY2015 ICD-9 codes and FY2015 Medicare Code Editor (MCE) age and sex conditions (H0416F1O.TRN). Removed FY2011-FY2013 columns of code information (used for historical data purposes).
- Added Table 3b (ICD-10 to HHS-Condition Categories Crosswalk) to add FY2016 ICD-10 codes, FY2016 MCE age and sex conditions, and CC assignments (H0416F1O.TRN).
- Expanded the cost-sharing reduction plan variations to include four metal levels of Limited Cost Sharing for 2015 risk adjustment.

The risk adjustment methodology consists of concurrent risk adjustment models, one for each combination of metal level (platinum, gold, silver, bronze, and catastrophic) and age group (adult, child, infant). This document provides the detailed information needed to calculate risk scores given individual diagnoses.

On August 13, 2015, we posted a draft ICD-10 to HHS-Condition Categories (CC) Crosswalk for public comment. We received several comments regarding our incorporation of particular diagnoses in the risk adjustment model. However, the majority of comments addressed the

merits of including or excluding particular diagnoses in the risk adjustment models, rather than whether our mapping of ICD-10 codes was consistent with our approach for ICD-9 codes. We quality checked all mappings raised in comments to ensure they were correct and are finalizing the ICD-10 to HHS-Condition Categories (CC) Crosswalk as proposed. **The ICD-10 to HHS-Condition Categories Crosswalk in Table 3b represents the final ICD-10 crosswalk for incorporation in 2015 risk adjustment (its ICD-10 code list is identical to the posted draft version).** We intend to consider the inclusion or exclusion of particular diagnoses as raised by the commenters in future recalibrations of the risk adjustment models.

We note that these instructions and the corresponding software contain both ICD-9-CM and ICD-10-CM codes. The United States implemented ICD-10-CM diagnosis codes on October 1, 2015 (which was the beginning of Fiscal Year [FY] 2016). Claims corresponding to January-September 2015 will use the Table 3a ICD-9 to HHS-Condition Categories (CC) Crosswalk, which features FY2015 ICD-9 diagnosis codes. Claims corresponding to October-December 2015 will use the Table 3b ICD-10 to HHS-Condition Categories (CC) Crosswalk, which features FY2016 ICD-10 diagnosis codes. The model instructions are based on the methodology described in the final notice of benefit and payment parameters. Please direct questions regarding the model instructions to HHS HCC Risk Adjustment Models at hshccraops@cms.hhs.gov. This mailbox will be used only to answer questions pertaining to operations of the HHS risk adjustment model as posted to this site. We look forward to assisting with inquiries pertaining to your risk adjustment program operations using the HHS-HCC risk adjustment models for the 2015 benefit year.

CMS has created two versions of software (SAS software and HHS-developed risk adjustment model algorithm “Do It Yourself (DIY)” software) and software instructions for issuers to use with their enrollment data to simulate their enrollee populations’ 2015 benefit year risk scores within the risk adjustment model. **This software is being issued only as supplemental guidance for issuers to better understand and simulate the calculation of plan liability risk scores for their enrollees.**

This software is not a required prerequisite to submitting claims data to the EDGE server for risk adjustment, nor is it a requirement of the risk adjustment program. Furthermore, issuers should not use this software to filter their own claims prior to submitting claims data to the EDGE server. The EDGE server software may have several additional layers of operational rules. This software merely provides a simulation to calculate enrollees’ risk scores.

This document describes software for HHS-HCC risk adjustment modeling (version 04). The software requires SAS® version 9.

This software (V0416 127 L2) is designed to be used only with 2015 dates of service and with either ICD-9 or ICD-10 diagnosis codes. If the user will be using historical data (i.e., 2014 or earlier service dates and ICD-9 codes only), the user should refer to earlier versions of the software for HHS-HCC risk adjustment modeling also posted on the CCHIO website.

List of Tables

Table 2. CPT/HCPCS Included List

Table 3a. ICD-9 to HHS-Condition Categories (CC) Crosswalk

Table 3b. ICD-10 to HHS-Condition Categories (CC) Crosswalk

Table 4. HHS-Hierarchical Condition Categories (HCC) Hierarchies

Terminology: In this document, the abbreviations HHS-HCC and HCC are used interchangeably for Health and Human Services Hierarchical Condition Categories. The abbreviations HHS-CC and CC are used interchangeably for HHS Condition Categories. The abbreviations ICD-9 and ICD-9-CM are used interchangeably for International Classification of Diseases, 9th Revision, Clinical Modification. The abbreviations ICD-10 and ICD-10-CM are used interchangeably for International Classification of Diseases, 10th Revision, Clinical Modification.

I. Software description

The software reads two user-provided input SAS® datasets; constructs demographic variables for each enrollee; crosswalks ICD-9 and ICD-10 diagnoses to Condition Categories (CCs) using SAS® formats which are stored in a FORMAT library; and creates Hierarchical Condition Categories (HCCs) by imposing hierarchies on the CCs.

The software uses the demographic variables and HHS-HCCs to compute risk scores for three models (adult, child, infant); cost sharing reduction (CSR)-adjusted scores for each model including adjustment for enrollment in premium assistance Medicaid alternative plans; and final scores based on the enrollee's age and plan benefit design. Scores for enrollees without diagnoses are computed from demographic variables; i.e., zeros are assigned to all HHS-CCs and HHS-HCCs.

The software's main program (V0416F1P) calls primary macro V0416F1M and passes a set of user-specified parameters (a macro is a subroutine that performs a specific task). Macro V0416F1M calls six external macros (provided as separate files):

- AGESEXV6 – creates age/sex variables;
- I9V04ED1 – performs edits on ICD-9 codes based on age and/or sex;
- I0V04ED1 – performs edits on ICD-10 codes based on age and/or sex;
- V04127L1 – assigns labels to HHS-HCCs;
- V04127H1 – sets selected HHS-HCCs to zero based on hierarchical rules;
- SCOREV3 – calculates risk score variables.

Identical program files with .SAS and .TXT extensions are provided. The .TXT versions are easier to view with some programs. The user must use the files with extension .SAS when installing the software. File names are case sensitive on some computing platforms, so software modules assume that file names are upper case (e.g., I9V04ED1.SAS).

The software:

Step 1: Includes external macros; these are most likely to vary among releases.

Step 2: Defines internal macro variables, formats, and internal macros; these are least likely to vary among releases.

Step 3: Merges the PERSON and DIAGNOSIS SAS® datasets, and outputs one record for each enrollee record in the PERSON dataset. Input records must be fully compliant with validity rules (e.g., SEX must be M/m/F/f/1/2), and both datasets must be sorted by the common person identifier variable. The name of the common person identifier variable is set in the macro variable &IDVAR (e.g., &IDVAR = ID, or HICNO, or SSN, or EnrolleeID).

Step 3.1: Declares variable lengths, retained variables, and arrays.

Step 3.2: Appends calibration coefficients for all models.

Step 3.3: Merges the PERSON and DIAGNOSIS datasets by the person identifier variable named in &IDVAR. Each enrollee must have exactly one PERSON record, and may have zero or more DIAGNOSIS records.

Step 3.4: Performs tasks when the enrollee's first record is detected.

Step 3.5: If the enrollee has at least one diagnosis, this step: creates HHS-CCs using the crosswalk format specified in parameter &FMNAME (see Section II for details regarding the format library and formats specific to this version of software); performs ICD-9 and ICD-10 edits using macros I9V04ED1 and I0V04ED1; and creates additional HHS-CCs for some ICD-9 and ICD-10 diagnoses.

Step 3.6: When the enrollee's last record is detected, this step: creates demographic variables using macro AGESEXV6; creates HHS-HCCs by applying hierarchy rules to CCs using macro V04127H1; sets HHS-HCCs to zero if the enrollee has no diagnoses; applies validity filters to various input variables; creates additional model-specific variables (e.g., severe illness indicators, HHS-HCC groups, interaction terms); creates unadjusted and CSR-adjusted scores for each plan level for each enrollee including enrollment in premium assistance Medicaid alternative plans; and defines output formats and labels for variables.

Step 4: The software uses SAS® CONTENTS and PRINT procedure calls to document the output dataset.

II. Files included with the software

The following programs and files are included:

- **V0416F1P** – main program containing all user-provided parameters (see below for the parameter and variable list). The program calls primary macro V0416F1M.
- **V0416F1M** – primary macro that merges input files, crosswalks ICD-9 and ICD-10 codes to HHS-CCs, creates HHS-HCC and risk score variables by calling various external and internal macros. Table 3a, ICD-9 to HHS-Condition Categories (CC) Crosswalk, summarizes the ICD-9 to CC assignments. Only ICD-9 codes assigned to

HHS-HCCs in the risk adjustment models are included in this crosswalk. All other ICD-9 codes will be ignored by the software. Table 3b, ICD-10 to HHS-Condition Categories (CC) Crosswalk, summarizes the ICD-10 to CC assignments. Only ICD-10 codes assigned to HHS-HCCs in the risk adjustment models are included in this crosswalk. All other ICD-10 codes will be ignored by the software.

- **AGESEXV6** – creates age/sex variables.
- **I9V04ED1** – performs edits on ICD-9 codes based on age and/or sex. The Medicare Code Edits (MCEs) and further specified CC age and sex splits are performed by this macro. If the enrollee has an invalid age and/or sex for a particular ICD-9 code, then the ICD-9 code will be ignored. Table 3a, ICD-9 to HHS-Condition Categories (CC) Crosswalk, summarizes the ICD-9 code edits; it describes the ICD-9 Medicare Code Edits (MCEs) for age and sex, and additional edits for CC age and sex splits.¹
- **I0V04ED1** – performs edits on ICD-10 codes based on age and/or sex. The Medicare Code Edits (MCEs) and further specified CC age and sex splits are performed by this macro. If the enrollee has an invalid age and/or sex for a particular ICD-10 code, then the ICD-10 code will be ignored. Table 3b, ICD-10 to HHS-Condition Categories (CC) Crosswalk, summarizes the ICD-10 code edits; it describes the ICD-10 Medicare Code Edits (MCEs) for age and sex, and additional edits for CC age and sex splits.
- **V04127L1** – assigns labels to HHS-HCCs. Table 4, HHS-Hierarchical Condition Categories (HCC) Hierarchies, lists the HHS-HCC labels.
- **V04127H1** – copies HHS-CCs into HHS-HCCs and sets selected HHS-HCCs to zero based on hierarchical rules. Table 4, HHS-Hierarchical Condition Categories (HCC) Hierarchies, summarizes the hierarchy assignments.
- **SCOREV3** – calculates risk score variables.
- **H0416F10.TXT** – is a text version of the formats that crosswalk ICD-9 and ICD-10 codes to HHS-CC categories (and is provided for reference). The formats include ICD-9 codes valid in FY2015 and the corresponding FY2016 version of ICD-10 codes.
- **H0416F10.TRN** – a SAS® transport file containing one format library with all requisite formats. Format name suffixes must be specified as macro parameters in the main program as follows:
 - HHS_V04Y16OC – crosswalks ICD-9 and ICD-10 codes to HHS-CC categories that are transformed to HHS-HCC categories, and contains ICD-9 codes used in the risk adjustment models that are valid in FY2015 and the corresponding FY2016 ICD-10 codes. This suffix must be specified in macro parameter **CCFMT**.
 - AGEY16MCE – crosswalks ICD-9 and ICD-10 codes to an acceptable age range if MCE edits on ICD-9 and ICD-10 codes are to be performed. This suffix must be specified in macro parameter **AGEFMT**.

¹ The diagnosis-code edits used are based on the Definitions of Medicare Code Edits (MCEs), which are updated and published each year to correspond with ICD-9 and ICD-10 code updates. The MCEs detect inconsistencies based on a person's age and diagnosis or sex and diagnosis. In addition to the standard MCE age 0 edit list, macro I9V04ED1 and Table 3a include these ICD-9 codes as requiring age = 0: V302, V312, V322, V332, V342, V352, V362, V372, and V392. These codes were added because, like the other codes in the V30-V39 range which do appear on the MCE age 0 edit list, they correspond to the infant's birth status and should not appear on the mother's record or on an older child's record.

- SEXY16MCE – crosswalks ICD-9 and ICD-10 codes to an acceptable sex value if MCE edits on ICD-9 and ICD-10 codes are to be performed. This suffix must be specified in macro parameter **SEXFMT**.
- **C0310L10.TRN** – a SAS® transport file containing relative coefficients for regression models created using CY2010 data, and a denominator defined as the weighted average plan liability for the full modeling sample.

The two SAS® transport files (with filename extension .TRN) contain the SAS® format library and model coefficients dataset. They may be used on any SAS® version 9 platform after uploading them and converting them using SAS® PROC CIMPORT.

If your computing platform is z/OS, both transport files should be uploaded using the following attributes: RECFM(F or FB) LRECL(80) BLKSIZE(8000).

The two transport files should be converted (imported) as follows:

- **Model coefficients:**

```
FILENAME INC      "user defined location of transport file C0310L10.TRN";
LIBNAME INCOEF    "user defined location of SAS coefficients dataset";
```

```
proc cimport infile=INC data=INCOEF.Coefficients; run;
```

- **Format library:**

```
FILENAME INF      "user defined location of transport file H0416F10.TRN";
LIBNAME LIBRARY    "user defined location of SAS format library";
```

```
proc cimport infile=INF library=LIBRARY; run;
```

III. Creation of a diagnosis dataset according to sources of diagnoses allowable for risk adjustment

The diagnosis input SAS® dataset (DIAGNOSIS) must include ICD-9-CM and/or ICD-10-CM diagnosis codes used for risk adjustment. These diagnosis codes are listed in reference Table 3a, ICD-9 to HHS-Condition Category (CC) Crosswalk, and reference Table 3b, (final) ICD-10 to HHS-Condition Category (CC) Crosswalk. The user must evaluate each claim or encounter record to determine whether its diagnoses are included in the DIAGNOSIS dataset. Encounter records normally report dates, provider or bill types, diagnoses and procedures, and other information, though they may not have payment information.

This section explains how each record is evaluated to determine whether the record's diagnoses are to be used in HHS-CC (and HHS-HCC) creation. It is the user's responsibility to create the DIAGNOSIS dataset according to the filtering logic below. This document provides filtering instructions and a list of the 2014 (for historical data purposes) and 2015 CPT/HCPCS codes that define service or procedure types that identify acceptable sources of diagnoses for risk

adjustment.^{2,3} However, the user must create the DIAGNOSIS dataset for input to the risk adjustment algorithm; the dataset is not created by the software.

NOTE: CMS stated that supplemental diagnosis codes may be submitted in certain circumstances. These instructions and the software do not address the addition of supplemental diagnosis codes. Therefore, risk score output from this software will not account for inclusion of supplemental diagnoses.

Only ICD-9-CM and ICD-10-CM diagnosis codes from sources allowable for risk adjustment should be included in the DIAGNOSIS dataset. ICD-9 codes that are not listed in Table 3a may be included in the DIAGNOSIS dataset, but are ignored by the software. ICD-10 codes that are not listed in Table 3b may be included in the DIAGNOSIS dataset, but are ignored by the software. The steps below provide logic to determine which diagnoses are allowable. Note that Steps 1 and 3 refer to Table 2, CPT/HCPCS Included List, which provides the 2014 and 2015 CPT/HCPCS codes used to define service or procedure types that are acceptable sources of diagnoses for risk adjustment.

- The CPT/HCPCS codes identifying services with diagnoses allowable for risk adjustment are listed in column A of Table 2.
- Column B contains the short descriptions of the procedure codes.
- Columns C and D, respectively, indicate whether a CPT/HCPCS code is acceptable in 2014 or 2015.
- Column E identifies applicable notes for the CPT/HCPCS codes.
- Notes begin on row 7016 of the Excel table with the line “Notes:”, and should not be imported by any program.

The diagnosis-level input file should include diagnoses from claims/encounter records with **discharge dates or through dates** within the benefit year. Though the term “claim” is used in the steps below, the steps apply equally to encounter records. For the EDGE server, only claims with discharge diagnoses are used for HHS risk adjustment.

1. Professional source of diagnosis
 - a. For professional records, use diagnoses from records that have at least one line item with an acceptable CPT/HCPCS code (Table 2). If there is at least one acceptable line on the record, use all the header diagnoses. There are three possible values for CPT/HCPCS codes in columns C and D:
 - i. yes = code is acceptable in that calendar year
 - ii. no = code is not acceptable in that calendar year
 - iii. n/a = code is not in existence in that calendar year
 - b. For professional records, if a line item has an acceptable CPT/HCPCS code, use all diagnoses from the line item.

² Definitions taken directly from the Current Procedural Terminology (CPT®) codes and the Healthcare Common Procedure Coding System (HCPCS) code set. Note that although CY2014 codes are provided for historical purposes, this software is designed to be used only with CY2015 data.

³ We note that there will be quarterly CPT/HCPCS code updates not reflected in this document on the EDGE server. We will provide quarterly updates of acceptable service or procedure codes on REGTAP (<https://www.regtap.info/>).

- c. If there are no acceptable service lines on the record, do not use any of the diagnoses for risk adjustment.
2. Inpatient facility source of diagnosis
 - a. Use all header diagnoses from records where facility bill type code equals one of the following:
 - i. 111 (inpatient admit through discharge); or
 - ii. 117 (inpatient replacement of prior claim).
 - b. There is no procedure screen for inpatient facility record types.
3. Outpatient facility source of diagnosis
 - a. Restrict records to those with facility bill type code equal to:
 - i. 131 (hospital outpatient admit through discharge); or
 - ii. 137 (hospital outpatient replacement of prior claim); or
 - iii. 711 (rural health clinic admit through discharge); or
 - iv. 717 (rural health clinic replacement of prior claim); or
 - v. 761 (community mental health center admit through discharge); or
 - vi. 767 (community mental health center replacement of prior claim); or
 - vii. 771 (federally qualified health center admit through discharge); or
 - viii. 777 (federally qualified health center replacement of prior claim).
 - b. For records with at least one acceptable CPT/HCPCS code (Table 2) on a service line, use all header diagnoses. Otherwise, do not use the diagnoses for risk adjustment.

Note on bundled claims for mother and newborn infant: In practice, some hospital claims for childbirth include both the mother's record and the newborn infant's record on the same claim (diagnoses and procedure codes). Because there are separate adult, child, and infant risk adjustment models and some of the diagnosis codes may not be distinguishable between mother and infant on bundled claims, **any bundled claims should be redefined as two separate records whenever possible (mother and infant, each with a separate ID, sex, and age) in order for the diagnoses to be appropriately included in the input dataset and used for appropriately calculating risk scores.**

The user will need a non-provided program to detect these bundled claims and redefine them as two separate claims (i.e., this software can detect possible bundled claims, but cannot redefine them). A program that detects and redefines bundled claims would need to identify enrollees with a claim containing these elements:

Mother is the enrollee:

- AGE_LAST \geq 2 (an age corresponding to the child or adult models; more specifically age should be appropriate for a maternity diagnosis)⁴ and
- ICD-9 and/or ICD-10 diagnoses corresponding to a completed pregnancy HCC (HHS-HCC 207 or 208 or 209) and
- ICD-9 and/or ICD-10 diagnoses corresponding to a newborn HCC (HHS-HCC 242 or 243 or 244 or 245 or 246 or 247 or 248 or 249).

⁴ Section IV of this document identifies the two age variables used in the software and specifies when each is used.

Infant is the enrollee:

- AGE_LAST < 2 (an age corresponding to the infant model; more specifically age should be appropriate for a newborn diagnosis) and
- ICD-9 and/or ICD-10 diagnoses corresponding to a completed pregnancy HCC (HHS-HCC 207 or 208 or 209) and
- ICD-9 and/or ICD-10 diagnoses corresponding to a newborn HCC (HHS-HCC 242 or 243 or 244 or 245 or 246 or 247 or 248 or 249).

See Table 3a, ICD-9 to HHS-Condition Category (CC) Crosswalk, and Table 3b, ICD-10 to HHS-Condition Category (CC) Crosswalk, for diagnosis codes corresponding to the completed pregnancy and newborn HCCs.

If the bundled claim is not detected by the user and redefined as two separate claims (one for the mother and one for the infant) for use in preparing the DIAGNOSIS dataset, the bundled claims should be included. If the enrollee is a female with an age appropriate for a maternity diagnosis, then the diagnoses on the bundled claim are assumed to correspond to the mother's enrollee ID. If the enrollee is less than age 2, then the diagnoses on the bundled claim are assumed to correspond to the infant's enrollee ID. All diagnoses on a bundled claim that could apply to either the mother or the infant (i.e., diagnoses that do not require passing an age/sex edit) are assumed to apply to the enrollee's ID. All HHS-HCCs that are valid for the mother or infant (based on diagnoses that pass or do not require age/sex edits) will be used to compute the enrollee's risk score; and all diagnoses that do not pass age/sex edits (i.e., newborn diagnosis codes for the mother; pregnancy diagnosis codes for the infant) will be ignored.

As noted, this software can detect that an enrollee might have bundled claims, and will optionally flag the enrollee record in the "Errors/warnings/notes log," but it cannot redefine them as separate mother/infant claims (see Section VIII.5, message 25).

Infants with a record in the person-level file that cannot be matched with a claim or who do not have claims will have no diagnoses in the diagnosis-level file. Infants without diagnoses will be assigned to the lowest severity category and the "term" maturity category for infants. Male infants will also have the male demographic factor assigned.

IV. SAS® datasets supplied by the user

This section describes the two input SAS® datasets required to create HHS-CC and HHS-HCC groupings, demographic variables, and risk score variables—a person-level dataset (PERSON) and a diagnosis dataset (DIAGNOSIS). It is the responsibility of the user to create these input datasets with the variables listed in this section. Both input datasets must be ordered in ascending order by the person identifier variable.

Note on ICD-9 and ICD-10 codes

ICD-9 codes are 3-5 bytes and ICD-10 codes are 3-7 bytes, so code length cannot uniquely identify ICD-9 or ICD-10 codes in comingled files. A small number of ICD-9 and ICD-10 codes are identical but have clinically different meanings, so a lookup table cannot uniquely identify ICD-9 or ICD-10 codes in comingled files.

Users must include a version code to indicate whether a user-provided diagnosis code is ICD-9 or ICD-10, and include a diagnosis service date. The software will use the diagnosis version code indicator to confirm ICD-9 or ICD-10 diagnoses. The user should verify the service date is consistent with the version code (i.e., ICD-10 is used beginning October 1, 2015).

Note on CSR_INDICATOR

In operations, cost-sharing reduction (CSR) plan variations and premium assistance Medicaid Alternative plans (i.e., private options) will be identified by the Health Insurance Oversight System (HIOS) variant ID. Listed below are the codes that will be used to identify the plan variation. Please note that unlike the risk adjustment software person-level CSR indicator, the HIOS variant ID is a plan-level indicator.

Cost-Sharing Reduction (CSR) Level	HIOS Variant ID	CSR RA Factor	RA Software Person-level CSR Indicator
CSR: 94% AV Silver Plan Variation	06	1.12	1
CSR: 87% AV Silver Plan Variation	05	1.12	2
CSR: 73% AV Silver Plan Variation	04	1.00	3
CSR: Zero Cost Sharing – Platinum	02	1.00	4
CSR: Zero Cost Sharing – Gold	02	1.07	5
CSR: Zero Cost Sharing – Silver	02	1.12	6
CSR: Zero Cost Sharing – Bronze	02	1.15	7
CSR: Limited Cost Sharing – Platinum	03	1.00	8
CSR: Limited Cost Sharing – Gold	03	1.07	9
CSR: Limited Cost Sharing – Silver	03	1.12	10
CSR: Limited Cost Sharing – Bronze	03	1.15	11
CSR: Premium Assistance Medicaid Alternative Plan w/94% AV Silver Plan	36	1.12	12
CSR: Premium Assistance Medicaid Alternative Plan w/Zero Cost Sharing - Silver	32	1.12	13
Non-CSR/unknown CSR	00	1.00	0

The variable names must be spelled as written; SAS® variable names are case-insensitive (i.e., SEX and Sex and sex and SeX designate the same variable), but are illustrated in upper case.

1. PERSON dataset

- a. &IDVAR (Person identification code). As noted, &IDVAR is the name of the common person identifier variable (e.g., ID).
 - i. Character or numeric type, any length, not missing.
 - ii. Unique to an individual, and unique in the dataset (i.e., no duplicates).
- b. SEX.
 - i. Character type, 1 byte, 1/M=male, 2/F=female, not missing.

- ii. Converted to upper case by the software.
- c. DOB.
 - i. Numeric type, 8 digit numeric field (YYYYMMDD), valid calendar date, not missing, provides the enrollee's date of birth.
 - ii. Used to calculate AGE_AT_DIAGNOSIS for MCE diagnosis code age edits.
- d. AGE_LAST (Age as of last day of enrollment in benefit year).
 - i. Numeric type, integer, 0 or greater, not missing.
 - ii. Used for all risk adjustment tasks except MCE diagnosis code age edits.
 - iii. For infants born in the previous year but not discharged until the benefit year, users should substitute Age 0 for Age 1 in AGE_LAST.
- e. METAL (Enrollee's plan level – platinum, gold, silver, bronze, catastrophic).
 - i. Character type, 1 byte, P/G/S/B/C (only 1 of these values), not missing.⁵
 - ii. Converted to upper case by the software.
- f. CSR_INDICATOR (Person-level indicator. Enrollees who qualify for cost-sharing reductions or those enrolled in premium assistance Medicaid alternative plans must be assigned CSR_INDICATOR =1-13. Non-CSR recipients must be assigned CSR_INDICATOR = 0).
 - i. Numeric type, integer, 0-13, not missing.
 - ii. Values are:
 - 1 = Enrollees in 94% AV Silver Plan Variation.
 - 2 = Enrollees in 87% AV Silver Plan Variation.
 - 3 = Enrollees in 73% AV Silver Plan Variation.
 - 4 = Enrollee in Zero Cost Sharing Plan Variation of Platinum Level QHP.
 - 5 = Enrollee in Zero Cost Sharing Plan Variation of Gold Level QHP.
 - 6 = Enrollee in Zero Cost Sharing Plan Variation of Silver Level QHP.
 - 7 = Enrollee in Zero Cost Sharing Plan Variation of Bronze Level QHP.
 - 8 = Enrollee in Limited Cost Sharing Plan Variation of Platinum Level QHP.
 - 9 = Enrollee in Limited Cost Sharing Plan Variation of Gold Level QHP.
 - 10 = Enrollee in Limited Cost Sharing Plan Variation of Silver Level QHP.
 - 11 = Enrollee in Limited Cost Sharing Plan Variation of Bronze Level QHP.
 - 12 = Enrollee in a Premium Assistance Medicaid Alternative Plan with 94% AV Silver Plan Variation.

⁵ Although the user is required to select a single metal level for the enrollee, the software produces score variables for all levels. The final unadjusted and CSR-adjusted score variables correspond to the single metal level selected, as is noted in Section VI.

- 13 = Enrollee in a Premium Assistance Medicaid Alternative Plan with Zero Cost Sharing Plan Variation of Silver Level QHP.
- 0 = Non-CSR recipient, and enrollees with unknown CSR.

2. DIAGNOSIS dataset

- a. &IDVAR (Person identification code). As noted, &IDVAR is the name of the common person identifier variable (e.g., ID).⁶
 - i. Character or numeric type, any length, not missing.
 - ii. Unique to an individual.
- b. DIAG (ICD-9-CM and ICD-10-CM diagnosis codes).
 - i. Character type, 7 byte field, no periods or embedded blanks, left justified.
 - ii. Converted to upper case by the software.
 - iii. Codes should be to the greatest level of available specificity.
 - iv. Age and sex edits for diagnoses are performed in macros I9V04ED1 and I0V04ED1 to ensure diagnoses are appropriate for the age and sex of the enrollee.
 - v. Only diagnoses from allowable sources should be included in the DIAGNOSIS dataset.
 - vi. Invalid diagnoses are ignored; warning messages are optional.⁷
 - vii. A valid ICD-9 diagnosis must have a DIAGNOSIS_VERSION_CODE indicating ICD-9 and a valid DIAGNOSIS_SERVICE_DATE.
 - viii. A valid ICD-10 diagnosis must have a DIAGNOSIS_VERSION_CODE indicating ICD-10 and a valid DIAGNOSIS_SERVICE_DATE.
- c. DIAGNOSIS_VERSION_CODE
 - i. Character type, 1 byte field, 9=ICD-9, 0=ICD-10, not missing.
- d. DIAGNOSIS_SERVICE_DATE
 - i. Numeric type, 8 digit numeric field (YYYYMMDD), valid calendar date, not missing, provides the diagnosis's service date.⁸

AGE_AT_DIAGNOSIS, the age as of the diagnosis service date, is calculated by the software using DOB from the PERSON dataset and DIAGNOSIS_SERVICE_DATE from the DIAGNOSIS dataset. It is used only for MCE diagnosis code age edits.

The two user-provided datasets (PERSON and DIAGNOSIS) are illustrated below. These examples are not based on actual data.

- Person-level dataset example (PERSON) containing six variables; we use ID as the person identifier variable to illustrate:

ID	SEX	DOB	AGE_LAST	METAL	CSR_INDICATOR
----	-----	-----	----------	-------	---------------

⁶ Please note that in operation, this information can not include personally identifiable information.

⁷ In the context of this software's instructions, valid refers to "included" in the HHS-HCC risk adjustment model and invalid refers to "not included."

⁸ Valid diagnosis service date in this version of software (V0416 127 L2): year is 2015, month is 01-12, and day is 01-31 and appropriate for the given month (i.e., cannot be February 30). The service date cannot occur before the date of birth. The ability of the software to detect whether the diagnosis service date is appropriate for the diagnosis version code has been disabled (i.e., does not check whether a 20151004 service date is appropriate for ICD-9).

201	M	19541201	61	P	0
202	F	19541115	61	C	6
301	F	19620414	53	G	2
302	M	19680101	47	B	4
304	X	19660132		R	16

- Diagnosis dataset example (DIAGNOSIS) containing four variables; we use ID as the person identifier variable and ICD-9 diagnoses to illustrate:

ID	DIAG	DIAGNOSIS_VERSION_CODE	DIAGNOSIS_SERVICE_DATE
201	2440	9	20150113
201	38831	9	20150113
201	71783	9	20150629
201	71906	9	20150630
201	71946	9	20150706
201	71947	9	20150706
201	ABCDE	3	20150835
202	4660	9	20150219
302	4660	9	20150317
302	V550	9	20150504
303	2440	9	20150929

- ID 301 has no diagnoses; the other IDs in PERSON have one or more diagnoses.
- ID 303 in DIAGNOSIS will be ignored because there is no ID 303 in PERSON.
- Missing or invalid information in any PERSON variable will cause that enrollee and all his/her diagnoses to be ignored (e.g., ID 304).
- Missing or invalid information in DIAGNOSIS will cause that diagnosis to be ignored (e.g., ID 201 DIAG ABCDE).
- Risk scores for enrollees without diagnoses are calculated using only PERSON demographic information (e.g., ID 301).
- If an enrollee has N different diagnoses, the enrollee will have N records in DIAGNOSIS and 1 record in PERSON. If an enrollee has no diagnoses, the enrollee will have zero records in DIAGNOSIS and 1 record in PERSON.

V. Parameters supplied by the user

The user must set the following parameters when calling macro V0416F1M:

- **INP** – input PERSON SAS® dataset name (e.g., *IN1.Person*).
- **IND** – input DIAGNOSIS SAS® dataset name (e.g., *IN2.Diagnosis*).
- **OUTDATA** – output SAS® dataset name (e.g., *OUT.OutputScores*).
- **IDVAR** – name of the person identifier variable (e.g., *ID*, or *HICNO*, or *SSN*, or *EnrolleeID*). This variable can be either character or numeric type, and any length.
- **KEEPVAR** – variables written to the output dataset. There is a list of KEEP variables in the program, but the user can alter the list (e.g., *DOB*, *AGE_LAST*, *SEX*, *METAL*, *CSR_INDICATOR*, *SCORE_*;, *CSR_ADJ_SCR_*;, or *_ALL_*).
- **CCFMT** – format name suffix for formats that crosswalk ICD-9 and ICD-10 codes to HHS-CCs. For this version of the software it is *HHS_V04Y16OC*.

- **AGEFMT** – format name suffix for formats that crosswalk ICD-9 and ICD-10 codes to an acceptable age range when MCE edits on ICD-9 and ICD-10 codes are performed. For this version of the software it is *AGEY16MCE*.
- **SEXFMT** – format name suffix for formats that crosswalk ICD-9 and ICD-10 codes to an acceptable sex value when MCE edits on ICD-9 and ICD-10 codes are performed. For this version of the software it is *SEXY16MCE*.

VI. Variables output by the software

The software generates a person-level output SAS® dataset. As noted, the user can specify variables to KEEP in the **KEEPVAR** parameter of the macro V0416F1M call.

The following variables can be specified:

1. Any person-level variable from the original PERSON dataset.
2. Demographic age/sex variables created by the software:

```
AGE0_MALE      AGE1_MALE

MAGE_LAST_2_4  MAGE_LAST_5_9  MAGE_LAST_10_14 MAGE_LAST_15_20
MAGE_LAST_21_24 MAGE_LAST_25_29 MAGE_LAST_30_34 MAGE_LAST_35_39
MAGE_LAST_40_44 MAGE_LAST_45_49 MAGE_LAST_50_54 MAGE_LAST_55_59
MAGE_LAST_60_GT

FAGE_LAST_2_4  FAGE_LAST_5_9  FAGE_LAST_10_14 FAGE_LAST_15_20
FAGE_LAST_21_24 FAGE_LAST_25_29 FAGE_LAST_30_34 FAGE_LAST_35_39
FAGE_LAST_40_44 FAGE_LAST_45_49 FAGE_LAST_50_54 FAGE_LAST_55_59
FAGE_LAST_60_GT
```

3. HHS-CCs created by the software (before hierarchies are applied).
4. HHS-HCCs created by the software (after hierarchies are applied).
5. HHS-HCC groups and HHS-HCC interactions created by the software.
6. Infant model maturity categories, severity level categories, and maturity by severity level interactions created by the software.
7. Score variables created by the software:
 - a. Adult Models
 - i. SCORE_ADULT_PLATINUM
 - ii. SCORE_ADULT_GOLD
 - iii. SCORE_ADULT_SILVER
 - iv. SCORE_ADULT_BRONZE
 - v. SCORE_ADULT_CATASTROPHIC
 - b. Child Models
 - i. SCORE_CHILD_PLATINUM
 - ii. SCORE_CHILD_GOLD
 - iii. SCORE_CHILD_SILVER
 - iv. SCORE_CHILD_BRONZE
 - v. SCORE_CHILD_CATASTROPHIC
 - c. Infant Models
 - i. SCORE_INFANT_PLATINUM
 - ii. SCORE_INFANT_GOLD

- iii. SCORE_INFANT_SILVER
 - iv. SCORE_INFANT_BRONZE
 - v. SCORE_INFANT_CATASTROPHIC
- 8. CSR-adjusted score variables:
 - a. Adult model
 - i. CSR_ADJUSTED_SCORE_ADULT_PLATINUM
 - ii. CSR_ADJUSTED_SCORE_ADULT_GOLD
 - iii. CSR_ADJUSTED_SCORE_ADULT_SILVER
 - iv. CSR_ADJUSTED_SCORE_ADULT_BRONZE
 - v. CSR_ADJUSTED_SCORE_ADULT_CATASTROPHIC
 - b. Child model
 - i. CSR_ADJUSTED_SCORE_CHILD_PLATINUM
 - ii. CSR_ADJUSTED_SCORE_CHILD_GOLD
 - iii. CSR_ADJUSTED_SCORE_CHILD_SILVER
 - iv. CSR_ADJUSTED_SCORE_CHILD_BRONZE
 - v. CSR_ADJUSTED_SCORE_CHILD_CATASTROPHIC
 - c. Infant model
 - i. CSR_ADJUSTED_SCORE_INFANT_PLATINUM
 - ii. CSR_ADJUSTED_SCORE_INFANT_GOLD
 - iii. CSR_ADJUSTED_SCORE_INFANT_SILVER
 - iv. CSR_ADJUSTED_SCORE_INFANT_BRONZE
 - v. CSR_ADJUSTED_SCORE_INFANT_CATASTROPHIC
- 9. Final unadjusted and CSR-adjusted score variables depending on the enrollee's metal (plan benefit) level and CSR indicator, including enrollment in premium assistance Medicaid alternative plans, created by the software.
 - a. Adult scores
 - i. SCORE_ADULT
 - ii. CSR_ADJUSTED_SCORE_ADULT
 - b. Child scores
 - i. SCORE_CHILD
 - ii. CSR_ADJUSTED_SCORE_CHILD
 - c. Infant scores
 - i. SCORE_INFANT
 - ii. CSR_ADJUSTED_SCORE_INFANT

The user must determine which of the scores is appropriate for the enrollee, depending upon the enrollee's age and plan benefit design of that enrollee.

VII. Computing platforms

The software has been tested using SAS® v9 on three platforms:

- MS Windows (PC)
- Linux (server)
- z/OS (IBM mainframe).

VIII. Steps

1. Install software:
 - Copy files to the computing platform on which the risk scores will be calculated. If the platform is z/OS, upload the two transport files (.TRN) using RECFM(F or FB) LRECL(80) BLKSIZE(8000).
 - Use files with .SAS extensions. Files with .TXT extensions are identical, but might be more easily viewed by the user. File names are case sensitive on some computing platforms; software modules assume that file names are upper case (e.g., I9V04ED1.SAS).
2. Prepare software-provided SAS® input format library and coefficients dataset:
 - Convert both .TRN files (containing the SAS® format library and model coefficients dataset) using SAS® PROC CIMPORT on the computing platform on which the risk scores will be calculated as described in Section II.
 - The format library and coefficients dataset are provided with the software, but must be imported by the user; they are not imported by the risk adjustment modeling software.
3. Prepare user-provided SAS® input datasets:
 - Create PERSON and DIAGNOSIS datasets using the guidelines in Section III and dataset descriptions in Section IV.
 - These datasets are created by the user; they are not created by the risk adjustment modeling software.
4. Generate scores:
 - Set parameters as described in Section V.
 - Execute SAS® program V0416F1P and generate variables described in Section VI.
5. Review errors/warnings, notes: the software prints messages in the “Errors/warnings/notes log” for various situations. The user may print (or suppress printing) any of them. To print messages of type nn, set macro variable MSGnn to blank; e.g., %let MSG01= ; To suppress printing messages of type nn, set macro variable MSGnn to *; e.g., %let MSG01=*; .

We recommend the following be printed because they indicate possible errors in datasets, variables or variable values:

```

ERROR : [Msg01] Variable --- is not in --- file
ERROR : [Msg02] User-provided variable --- in --- file must be --- type
ERROR : [Msg03] Duplicate IDVARs in PERSON file
ERROR : [Msg04] Program halted due to duplicate IDVARs in PERSON file
OK : [Msg05] PERSON file is free of duplicate IDVARs
ERROR : [Msg06] Program halted due to non-existent variable(s) in PERSON file
OK : [Msg07] PERSON file contains all requisite variables
ERROR : [Msg08] Program halted due to incorrect user-provided variable type(s) in PERSON file
OK : [Msg09] PERSON file's variables have the correct type
ERROR : [Msg10] Program halted due to non-existent variable(s) in DIAG file
OK : [Msg11] DIAG file contains all requisite variables
ERROR : [Msg12] Program halted due to incorrect user-provided variable type(s) in DIAG file
OK : [Msg13] DIAG file's variables have the correct type
WARNING: [Msg14] Diagnosis matches no enrollee, diagnosis ignored
WARNING: [Msg15] Blank diagnosis code, diagnosis ignored
WARNING: [Msg18] Missing IDVAR, enrollee rejected
WARNING: [Msg19] Invalid SEX, enrollee rejected
WARNING: [Msg20] Invalid DOB, enrollee rejected

```

```
WARNING: [Msg21] Invalid AGE_LAST, enrollee rejected
WARNING: [Msg22] Invalid METAL, enrollee rejected
WARNING: [Msg23] Invalid CSR_INDICATOR, enrollee rejected
WARNING: [Msg24] Failed HHS HCC filter, enrollee rejected
WARNING: [Msg26] Invalid DIAGNOSIS_VERSION_CODE, diagnosis ignored
WARNING: [Msg27] Invalid DIAGNOSIS_SERVICE_DATE, diagnosis ignored
WARNING: [Msg28] Invalid AGE_AT_DIAGNOSIS, diagnosis ignored
WARNING: [Msg29] AGE_AT_DIAGNOSIS > AGE_LAST, diagnosis ignored
ERROR   : [Msg30] Program halted, file --- does not exist
WARNING: [Msg31] AGE_LAST minus AGE_AT_DIAGNOSIS > 1, diagnosis ignored
WARNING: [Msg32] DOB > DIAGNOSIS_SERVICE_DATE, diagnosis ignored
```

We recommend the following be printed during testing with small datasets. The user may choose to suppress printing the messages during production runs with large datasets as these conditions tend to generate many messages.

```
WARNING: [Msg16] Diagnosis lookup failed, diagnosis ignored
NOTE    : [Msg17] Enrollee has no diagnoses, risk score based on demographic information
WARNING: [Msg25] Possible bundled mother/infant claim(s) -- ---
```

Suppressing printed output for type nn does not affect whether an enrollee record or diagnosis is rejected. I.e., diagnosis code ZZZZZZ will be ignored by the software even if %let MSG16=*; is set.

End of Document