Steps to calculate risk adjustment factors.

Refer this [PDF](C:\\Users\\MR321NC\\OneDrive - EY\\POC\\General - Suspect analysis - Risk adjustment\\Health Care HCC recommendation\\documents\\CY 2024 AN_FINAL_20230131_highlighted.pdf)

1. Map HCC codes from ICD 10 codes from this [file](file:///C:/Users/MR321NC/OneDrive%20-%20EY/POC/General%20-%20Suspect%20analysis%20-%20Risk%20adjustment/Health%20Care%20HCC%20recommendation/data/PY%202024%20Proposed%20Clinical%20Revision%20Part%20C%20Model%20ICD-10%20Mappings.xlsx)
2. If multiple HCC are present, then drop sub-hierarchical HCC. Refer page 138 (Table VI-4. 2024 CMS-HCC Model with Disease Hierarchies ) from [PDF](file:///C:/Users/MR321NC/OneDrive%20-%20EY/POC/General%20-%20Suspect%20analysis%20-%20Risk%20adjustment/Health%20Care%20HCC%20recommendation/documents/CY%202024%20AN_FINAL_20230131_highlighted.pdf)
3. If the beneficiary is a new enrolee the
   1. If the new enrolee is Aged and Disabled then his Relative factor will be find based on
      1. Gender
      2. Age
      3. Originally Disabled / Non-Originally disabled
      4. Medicaid / Non-Medicaid

To Find the Relative Factor refer Table VI-2. 2024 CMS-HCC Model Relative Factors for Aged and Disabled New Enrollees (page 136) from PDF

* 1. If the New enrolee in Chronic Condition Special Needs Plans (C-SNPs), his/her relative factor will be found based on
     1. Gender
     2. Age
     3. Originally Disabled / Non-Originally disabled
     4. Medicaid / Non-Medicaid

To Find the Relative Factor refer Table VI-3 2024 CMS-HCC Model Relative Factors for New Enrollees in Chronic Condition Special Needs Plans (C-SNPs) (page 137) from PDF

1. If the beneficiary is a continuous enrolee, then his Relative factor depends on many variables
   1. Gender
   2. Age
   3. Community / Institutional
   4. Non-Dual / PB Dual / FB Dual
   5. Aged / Disabled
   6. Originally disabled
   7. Medicaid
   8. Disease Coefficients (HCC)
   9. Disease Interactions (example – Diabetes \* Heart Faliure)
   10. Disabled/Disease Interactions (example - Disabled, Heart Failure)
   11. Payment HCC Counts
2. Find The Raw Risk Score
   1. **Demographic Relative Factors** –

Find Gender-Age factor with relative details (Gender, Age, community/ institutional, Non-dual / PB Dual / FB Dual, Aged/ Disabled)

To find this refer Table VI-1. 2024 CMS-HCC Model Relative Factors for Continuing Enrolees (page 126) from PDF

* 1. **Disease Relative Factors**
     1. Find Medicaid and Originally Disabled Interactions factor from page (126-127)
     2. Find Disease Coefficient related to each of HCC with other variables. To find this refer page (127 to 134)
     3. Find Disease Interactions Factor from Page 134
     4. Find Disabled/Disease Interactions from page 134
     5. Find Payment HCC Counts factors from page 135.

Find Disease Relative Factor by -

**Disease Relative Factor = (Medicaid and Originally Disabled Interactions factor +**

**Disease Coefficient +**

**Disease Interactions Factor +**

**Disabled/Disease Interactions +**

**Payment HCC Counts factors)**

Find the Raw risk score by-

**Raw Risk Score = Demographic Relative Factors + Disease Relative Factors**

1. Normalize the risk score by dividing the raw risk score by the normalization factor, and then rounding to three (3) decimal places. It is important to remember to round at each step, as not doing so could cause a discrepancy in the final calculation.

**Normalized Risk Score = Raw Risk Score/Normalization Factor**

1. If applicable, apply Coding Difference Adjustment by multiplying normalized risk score times (1 ‐ Coding Difference Adjustment) and then rounding to three (3) decimal places.

**Risk Score with Coding Intensity Adjustment = Normalized Risk Score \* (1 – Coding Intensity Factor)**

1. If applicable, add the frailty factor to the risk score.

**Risk Score with Frailty = Risk Score + Frailty Factor**

1. For risk-adjusted payment, multiply the final risk score times the monthly capitation rate for the beneficiary.

**Risk-Adjusted Payment = Monthly Capitation Rate \* Risk Score**