

Announcement of Calendar Year (CY) 2022 Advance Notice of Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies, Part II

Today, CMS released Part II of the Advance Notice of [CY 2022 Medicare Advantage capitation rates and Part C and Part D payment policies](#) (attached). [Part I](#) (attached) was published on September 14 (summary provided to Council on 9/14). CMS' stated reason for the early release is to accommodate a potential early publication of the CY 2022 Rate Announcement. AHCA will be providing comments which are due for both Part I and Part II on November 30, 2020 by 6:00pm (ET). Some of the highlights are:

Rate Setting:

1. The expected average change in revenue is 2.82 percent.

Risk Adjustment:

1. Per Part I of the 2022 Advance notice, CMS will be fully phasing in the 2020 CMS-HCC model which accounts for conditions in the risk adjustment model ("payment conditions") and additionally for mental health, substance use disorder, and chronic kidney disease.
2. Encounter data will account for 100% of the 2022 MA risk score calculation, up from 75% EDS/25% RAPS for 2021.
3. CMS will no longer supplement EDS diagnosis data with RAPS diagnoses data from inpatient records.
4. CMS is proposing the 2022 MA coding pattern adjustment difference be 5.9 percent, similar to 2021 (minimum required by statute).
5. CMS is proposing to update its Part D risk adjustment (RxHCC) model by using 2017/2018 data. The 2017/2018 model also includes an update to better simulate catastrophic threshold coverage and is calibrated based on ICD-10 diagnoses.
6. Similar to Part C, CMS will use 100% EDS data and not supplement the EDS data with RAPS.

Part C and D Star Ratings:

1. CMS codified the methodology for the Part C and D Star Ratings in the CY 2019 Final rule which laid out the methodology for 2021 and beyond.
2. On March 31, CMS issued an Interim Final Rule that adopted a series of changes for the 2022 Star Ratings as follows:
 - a. Delay in application of removal of 2022 guardrails to 2023 Star Ratings.
 - b. Expansion of existing 'hold harmless' provision for the Part C and Part D Improvement measures to include all contracts for the 2022 Star Ratings.
 - c. Revision of the definition of "new MA plan" for purposes of the 2022 quality bonus payments and bases them on 2021 Star Ratings only.
3. Deadline for all contracts to request a review of their data for 2022 Star Ratings, appeal and measurement data is June 30, 2021. All plans should immediately contact CMS after reviewing the various data sets released throughout the year if the data looks incorrect.
 - a. Sponsors can view their Part C appeals data on the website: [medicareappeal.com/AppealSearch](https://www.medicareappeal.com/AppealSearch)
4. CMS is soliciting feedback on new measure concepts for future years including:
 - a. Provider Directory Accuracy (Part C)
 - b. COVID 19 Vaccines (Part C). CMS is considering development and testing of question(s) to add to the CAHPS survey administered in early 2022, similar to the flu vaccine.