2024 CMS–HCC model summary of clinical reclassification of HCCs

On March 31, 2023, the Centers for Medicare & Medicaid Services (CMS) released the Calendar Year (CY) 2024 Medicare Advantage (MA) and Part D Rate Announcement (final rate notice). The final rate notice is released annually and includes updates to capitation and risk adjustment methodologies used to calculate payments to MA plans. For CY 2024, CMS is phasing in over a three-year period a revised version of the CMS-hierarchical condition categories (CMS-HCC) risk adjustment model (hereinafter referred to as "2024 CMS-HCC model").

In addition to using more recent data (2018 diagnoses (Dx) and 2019 expenditures) and denominator year (2020) in recalibrating the new model, the 2024 CMS-HCC model reflects a reclassification with newly rebuilt condition categories using International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) codes to create the HCCs for the first time. Underlying diagnosis to HCC mappings were evaluated to ensure diagnosis codes map to condition categories with similar clinical characteristics and cost patterns. ICD-10 coding provides a greater level of detail that allows more precision in the identification of specific conditions. Because the new model is calibrated on more recent data using the same ICD system currently being utilized to code diagnoses in clinical settings, the 2024 CMS-HCC model will better reflect recent cost and utilization patterns.

Risk score differences between the models will occur for several reasons. Specifically, revisions to the models result in changes in the marginal cost attributable to each HCC, relative to the change in the average cost (i.e., denominator used to set the relatives), and can alter the relative factor associated with each HCC, and with the relative values among HCCs. Also, changes in the relative factors will result from changing from HCCs that were created using the ICD-9 system to HCCs created using the ICD-10 system, as well as from the addition or deletion of HCCs to or from the model. Providers remain obligated to assign diagnosis codes in accordance with ICD–10 and other applicable standards, regardless of these HCC reconfigurations.

The following is a summary of the HCC clinical reclassification:

Note: all of these HCCs had at least one diagnosis code removed that were previously included in the 2020 model. There are some HCCs in the 2020 model that were reconfigured into new HCCs in the 2024 model; however, this does not impact the diagnosis code data provided within.

For further information on the HCC clinical reclassification:

- Differences in the HCCs in the 2020 CMS–HCC model and HCCs in the 2024 CMS–HCC model are noted in Table II–4 in the CY24 Advance Notice, organized by disease group.
- The ICD–to–HCC mappings files, available on the CMS Risk Adjustment webpage, have an exhaustive list of HCCs in the 2020 CMS–HCC model and the 2024 CMS–HCC model and the underlying mappings to ICD–10 codes