Calendar Year 2024 Medicare Advantage Final Rate Notice: 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 (V28) 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 (V28) 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 (V28) 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:

Final rate notice HCC clinical reclassification summary	
HCCs fully removed from 2020 CMS–HCC (V24) model:	**HCCs fully new for the 2024 CMS–HCC (V28) Model:**
HCC 21 – Protein–Calorie Malnutrition (10 Dx Codes Removed) **HCC 88** – Angina Pectoris (36 Dx Codes Removed) **HCC 134** – Dialysis Status (50 Dx Codes Removed) **HCC 135** – Acute Renal Failure (5 Dx Codes Removed) **HCC 176** – Complications of Specified Implanted Device or Graft (325 Dx Codes Removed)	**HCC 279 – Severe Persistent Asthma (3 New Dx Codes)** **HCC 387** – Pemphigus, Pemphigoid, and other specified Autoimmune Skin Disorders (14 New Dx Codes)
HCCs transferred from 2020 CMS–HCC (V24) model to 2024 CMS–HCC (V28) model without removal of diagnosis codes:	
HCC 1 – HIV/AIDS	**HCC 77** – Multiple Sclerosis
HCC 6 – Opportunistic Infections	**HCC 79** – Seizure Disorders and Convulsions
HCC 8 – Metastatic Cancer and Acute Leukemia	**HCC 82** – Respirator Dependence/Tracheostomy Status
HCC 9 – Lung and other Severe Cancers	**HCC 83** – Respiratory Arrest
HCC 10 – Lymphoma and Other Cancers	**HCC 86** – Unstable Angina and Other Acute Ischemic Heart Disease
HCC 11 – Colorectal, Bladder, and Other Cancers	**HCC 87** – Acute Myocardial Infarction
HCC 12 – Breast, Prostate, and Other Cancers and Tumors	**HCC 99** – Intracranial Hemorrhage
HCC 22 – Morbid Obesity	**HCC 103** – Hemiplegia/Hemiparesis
HCC 29 – Chronic Hepatitis	**HCC 104** – Monoplegia, Other Paralytic Syndromes
HCC 33 – Intestinal Obstruction/Perforation	**HCC 110** – Cystic Fibrosis
HCC 34 – Chronic Pancreatitis	**HCC 111** – Chronic Obstructive Pulmonary Disease
HCC 35 – Inflammatory Bowel Disease	**HCC 114** – Aspiration and Other Specified Bacterial Pneumonias
HCC 51 – Dementia with complications	**HCC 124** – Exudative Macular Degeneration

HCC 54 – Substance Use with Psychotic Complications
HCC 56 – Substance Use Disorder, Mild, Except Alcohol and Cannabis
HCC 57 – Schizophrenia
HCC 58 – Reactive and Unspecified Psychosis
HCC 60 – Personality Disorders
HCC 70 – Quadriplegia
HCC 71 – Paraplegia
HCC 73 – Amyotrophic Lateral Sclerosis and Other Motor Neuron Disease
HCC 74 – Cerebral Palsy
HCC 76 – Muscular Dystrophy

HCC 136 – Chronic Kidney Disease, (Stage 5)
HCC 137 – Chronic Kidney Disease, Severe (Stage 4)
HCC 138 – Chronic Kidney Disease, Moderate (Stage 3)
HCC 158 – Pressure Ulcer of Skin with Full Thickness Skin Loss
HCC 159 – Pressure Ulcer of Skin with Partial Thickness Skin Loss
HCC 166 – Severe Head Injury
HCC 169 – Vertebral Fractures without Spinal Cord Injury
HCC 170 – Hip Fracture/Dislocation
HCC 186 – Major Organ Transplant or Replacement Status
HCC 188 – Artificial Openings for Feeding or Elimination

Note: these HCCs could have had diagnosis codes added, however, no diagnosis codes were removed, from what was included in the 2020 (V24) Model.

HCCs transferred from 2020 HCC (V24) model to 2024 HCC (V28) model with removal of diagnosis codes:				
2020 CMS–HCC (V24) model HCCs	**Description**	**# Dx transferred from 2020 model to 2024 (V28) model**	**# New Dx added to 2024 (V28) model**	**# Dx removed from 2020 (V24) model**
HCC 2	Septicemia, sepsis and systemic inflammatory response syndrome/shock	50	0	2
HCC 17	Diabetes with acute complications	18	0	5
HCC 18	Diabetes with chronic complications	308	0	80
HCC 19	Diabetes without complication	0	0	1
HCC 23	Other significant endocrine and metabolic disorders	48	4	178
HCC 27	End–stage liver disease	13	0	2
HCC 28	Cirrhosis of liver	8	6	2
HCC 39	Bone/joint/muscle infections/necrosis	608	1	44
HCC 40	Rheumatoid arthritis and inflammatory connective tissue disease	504	3	71
HCC 46	Severe hematological disorders	14	0	5
HCC 47	Disorders of immunity	18	0	34
HCC 48	Coagulation defects and other specified hematological disorders	34	0	40
HCC 52	Dementia without complication	33	0	20
HCC 55	Substance use disorder, moderate/severe or substance use with complications	308	26	20
HCC 59	Major depressive, bipolar and paranoid disorders	394	0	425
HCC 72	Spinal cord disorders/injuries	249	2	90

2020 CMS–HCC (V24) model HCCs	Description	# Dx Transferred from 2020 (V24) model to 2024 (V28) model	# New Dx added to 2024 (V28) model	# Dx removed from 2020 (V24) model
HCC 75	Myasthenia gravis/myoneural disorders and Guillain–Barre syndrome/inflammatory and toxic neuropathy	12	0	40
HCC 78	Parkinson's and Huntington's diseases	11	0	3
HCC 80	Coma, brain compression/ anoxic damage	45	0	5
HCC 84	Cardio–respiratory failure and shock	21	15	6
HCC 85	Congestive heart failure	57	1	1
HCC 96	Specified heart arrhythmias	18	0	1
HCC 100	Ischemic or unspecified stroke	95	0	4
HCC 106	Atherosclerosis of extremity with ulceration or gangrene	127	0	1
HCC 107	Vascular disease with complications	109	0	36
HCC 108	Vascular disease	184	0	146
HCC 112	Fibrosis of lung and other chronic lung disorders	0	0	17
HCC 115	Pneumococcal pneumonia, empyema, lung abscess	7	0	25
HCC 122	Proliferative diabetic retinopathy and vitreous hemorrhage	100	76	24
HCC 161	Chronic ulcer of skin, except pressure	290	0	2
HCC 162	Severe skin burn or condition	90	0	6
HCC 167	Major head injury	57	1	251
HCC 173	Traumatic amputations and complications	108	0	34
HCC 189	Amputation status, lower limb/amputation complication	41	3	250

Note: all of these HCCs had at least 1 diagnosis code removed that were previously included in the 2020 (V24) model. There are some HCCs in the 2020 (V24) Model that were reconfigured into new HCCs in the 2024 (V28) 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 (V24) and HCCs in the 2024 CMS–HCC (V28) 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 (V24) and the 2024 CMS–HCC (V28) model and the underlying mappings to ICD–10 codes

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