

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.

| Final rate notice HCC clinical reclassification summary | | | | | | | |
|--|--|--|--|--|--|--|--|
| HCCs fully removed from 2020 CMS–HCC model: | HCCs Fully new for the 2024 CMS–HCC 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 | HCC 387 – Pemphigus, Pemphigoid, and other specified Autoimmune Skin Disorders (14 New Dx Codes) HCC 279 – Severe Persistent Asthma (3 New Dx Codes) | | | | | | |
| Device or Graft (325 Dx Codes Removed) | o 2024 CMS–HCC model without removal of any 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 | HCC 99 – Intracranial Hemorrhage | | | | | | |
| Tumors | HCC 103 – Hemiplegia/Hemiparesis | | | | | | |
| HCC 22 – Morbid Obesity | HCC 104 – Monoplegia, Other Paralytic Syndromes | | | | | | |

The following is a summary of the HCC clinical reclassification:

| HCC 29 – Chronic Hepatitis | HCC 110 – Cystic Fibrosis |
|---|---|
| HCC 33 – Intestinal Obstruction/Perforation | HCC 111 – Chronic Obstructive Pulmonary Disease |
| HCC 34 – Chronic Pancreatitis | HCC 114 – Aspiration and Other Specified Bacterial Pneumonias |
| HCC 35 – Inflammatory Bowel Disease | HCC 124 – Exudative Macular Degeneration |
| HCC 51 – Dementia with complications | HCC 136 – Chronic Kidney Disease, (Stage 5) |
| HCC 54 – Substance Use with Psychotic Complications | HCC 137 – Chronic Kidney Disease, Severe (Stage 4) |
| HCC 56 – Substance Use Disorder, Mild, Except Alcohol | HCC 138 – Chronic Kidney Disease, Moderate (Stage 3) |
| and Cannabis | HCC 158 – Pressure Ulcer of Skin with Full Thickness Skin Loss |
| HCC 57 – Schizophrenia | HCC 159 – Pressure Ulcer of Skin with Partial Thickness Skin Loss |
| HCC 58 – Reactive and Unspecified Psychosis | HCC 166 – Severe Head Injury |
| HCC 60 – Personality Disorders | HCC 169 – Vertebral Fractures without Spinal Cord Injury |
| HCC 70 – Quadriplegia | HCC 170 – Hip Fracture/Dislocation |
| HCC 71 – Paraplegia | HCC 186 – Major Organ Transplant or Replacement Status |
| HCC 73 – Amyotrophic Lateral Sclerosis and Other | HCC 188 – Artificial Openings for Feeding or Elimination |
| Motor Neuron Disease | |
| HCC 74 – Cerebral Palsy | |
| HCC 76 – Muscular Dystrophy | |
| | |

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

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

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| HCC 72 | Spinal cord disorders/injuries | 249 | 90 | 2 |
|----------------------------|---|---|---------------------------------|---------------------------------|
| 2020 CMS–HCC model HCCs | Description | # Dx Transferred from 2020 mode to 2024 model | # Dx Removed from 2020 model | # New Dx added to 2024 model |
| HCC 75 | Myasthenia gravis/myoneural disorders and Guillain–Barre syndrome/inflammatory and toxic neuropathy | 12 | 40 | 0 |
| HCC 78 | Parkinson's and Huntington's diseases | 11 | 40 | 0 |
| HCC 80 | Coma, brain compression/ anoxic damage | 45 | 5 | 0 |
| HCC 84 | Cardio-respiratory failure and shock | 21 | 6 | 15 |
| HCC 85 | Congestive heart failure | 57 | 1 | 1 |
| HCC 96 | Specified heart arrhythmias | 18 | 1 | 0 |
| HCC 100 | Ischemic or unspecified stroke | 95 | 4 | 0 |
| HCC 106 | Atherosclerosis of extremity with ulceration or gangrene | 127 | 1 | 0 |
| HCC 107 | Vascular disease with complications | 109 | 36 | 0 |
| HCC 108 | Vascular disease | 184 | 146 | 0 |
| HCC 112 | Fibrosis of lung and other chronic lung disorders | 0 | 17 | 0 |
| HCC 115 | Pneumococcal pneumonia, empyema, lung abscess | 7 | 25 | 0 |
| HCC 122 | Proliferative diabetic retinopathy and vitreous hemorrhage | 100 | 24 | 76 |
| HCC 161 | Chronic ulcer of skin, except pressure | 290 | 2 | 0 |
| HCC 162 | Severe skin burn or condition | 90 | 6 | 0 |
| HCC 167 | Major head injury | 57 | 251 | 1 |
| HCC 173 | Traumatic amputations and complications | 108 | 34 | 0 |
| HCC 189 | Amputation status, lower limb/amputation complication | 41 | 250 | 3 |

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 <u>CY24 Advance Notice</u>, organized by disease group.
- The ICD-to-HCC mappings files, available on the <u>CMS Risk Adjustment webpage</u>, 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