



March 2, 2023

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Administrator Brooks-LaSure:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) thanks you for the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS') Advance Notice of Methodological Changes for Calendar Year (CY) 2024 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies ("2024 Advance Notice").

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems and cover the full spectrum of physician specialties and organizational forms, making MGMA well-positioned to offer the following feedback.

CMS-HCC Risk Adjustment Model for CY 2024

For CY 2024, CMS proposes to implement a revised version of the CMS-HCC adjustment model, which in part, includes a clinical reclassification of the hierarchical condition categories (HCCs) using the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10) codes. As part of this reclassification, CMS conducted an assessment on conditions that are coded more frequently in MA relative to FFS. CMS states that the revised proposed model results in more appropriate relative weights for the HCCs because they reflect "more recent utilization, coding and expenditure patterns in FFS Medicare, as well as revised HCCs that are constructed to reflect clinical cost patterns associated with ICD-10 codes." CMS reviewed conditions with their clinical experts for conditions in the model where coding in MA was highest relative to FFS.

CMS identified over 2,000 ICD-10 diagnosis codes it believes should be removed from the CMS-HCC model. While MGMA shares concerns about abuse in the MA program, we are concerned that this overhaul of the CMS-HCC model may result in unintended consequences that could impact beneficiary access to care and impede important value-based care initiatives critical to the success of medical group practices. We request more information as it pertains to CMS' assertion that this coding differential indicates conditions where there may be discretionary coding variation. If MA plans are upcoding to increase Medicare payments, they should be held fully accountable. It is unclear, however, if these HCC coding changes will only impact situations where abusive coding practices have occurred.

To that end, we ask that CMS:

- **Provide timely information and greater transparency on the estimated effect of the changes to the CMS-HCC model.** CMS has provided 30 days for stakeholders to comment on these proposals that could potentially have a significant impact. Group practices need time to understand the full impact these changes could have on delivering care. We are concerned with CMS' lack of transparency regarding the estimated effects of the revisions. We believe any overhaul to the current CMS-HCC model should be accompanied by detailed information and data on how CMS arrived at these proposals. For instance, data to support the decision to remove over 2,000 ICD-10 codes would provide stakeholders a better understanding of these changes.
- **Pause implementation of this proposal until information on the estimated impact on physician groups and their patients is examined.** We are especially concerned about the impact on practices that are at the forefront of value-based care initiatives. It is imperative that the downstream impact of these changes is fully understood before these changes go into effect.

MGMA applauds CMS' intention to promote and strengthen Medicare and MA and to ensure accurate payments. However, significant changes to the CMS-HCC model should be well-examined as to avoid any unintended consequences and disruptions to care. This could involve phasing in changes over time to allow stakeholders to evaluate and adjust to new policies, working with stakeholders, such as medical groups, to understand the true impact of these proposals, and putting in place safeguards to ensure that medical groups and their patients do not bear the brunt of any negative unintended consequences. Group practices will continue to hold themselves accountable for addressing a patient's full range of conditions and needs – it would be unfortunate if CMS' proposals inhibited their ability to do so as part of its efforts to address potentially abusive coding practices by MA plans.

Conclusion

MGMA appreciates the opportunity to provide input on the 2024 Advance Notice. As the voice for the country's medical group practices, MGMA remains committed to promoting policies that enhance the ability of our members to provide high-quality, cost-effective care to the millions of patients they serve routinely. Should you have any questions, please contact Claire Ernst at cernst@mgma.org or 202-293-3450.

Sincerely,

/s/

Anders Gilberg

Senior Vice President, Government Affairs