

## **Issues for risk adjustment in Medicare Advantage**

**ISSUE:** CMS uses the CMS hierarchical condition category (CMS-HCC) model to risk adjust capitated payments in the Medicare Advantage (MA) program. The CMS-HCC has been shown to perform better than previous risk adjusters that CMS has used. However, some have suggested changes to the CMS-HCC to improve its performance.

**KEY POINTS:** In this paper, we evaluate options that have been suggested for improving the performance of the CMS-HCC.

**ACTION:** Commissioners should review the findings in preparation for a discussion on the CMS-HCC.

**STAFF CONTACT:** Dan Zabinski (202-220-3700).