



2024 HCC Risk Updates

The Risk Adjustment Factor (RAF) score is a risk-adjust methodology used by CMS to estimate the medical cost of Medicare beneficiaries. The health conditions used in the risk model are termed hierarchical condition categories (HCC). Periodically, CMS reviews the risk model to update the conditions and/or the weighting of each condition to ensure the score reliably represents the disease burden and associated marginal cost for a Medicare population. CMS also regularly reviews coding practices and attempts to exclude conditions that do not have “well-specified” diagnostic coding criteria, where “discretionary coding” may occur resulting in an overestimation of a population’s actual disease burden.

Starting in CY 2024, CMS will be phasing in, over a three-year period, a new version of the CMS–hierarchical condition categories (CMS–HCC). A blend of the old and new models will be used in 2024 and 2025, so ICD-10 codes that map to HCCs in each version will need to be reassessed and submitted if still valid for your patients.

The 2024 CMS-HCC model (version 28) assigns a risk score to 2,264 fewer (ICD-10) diagnosis codes than the previous model (version 24) but has 115 HCCs, compared to just 86 in version 24. These changes should result in improved precision of the methodology.

Version 24	Version 28 (new)
86 HCCs	115 HCCs
9,797 ICD-10 diagnosis codes mapped to an HCC for payment	7,770 ICD-10 diagnosis codes mapped to an HCC for payment
$\frac{2}{3}$ weighting in 2024	$\frac{1}{3}$ weighting in 2024
$\frac{1}{3}$ weighting in 2025	$\frac{2}{3}$ weighting in 2025

Some common HCC sets were constrained (i.e. make all HCCs in a disease group of equal weighting) to address discretionary (up)coding of more severe manifestations of a disease:

- All Diabetes HCCs (36, 37, and 38) constrained to a weighting of 0.166.
- Congestive Heart Failure HCCs (224, 225, and 226) constrained to a weighting 0.36
- Dementia HCCs (125, 126, 127) constrained to a weighting of 0.341
- Major head injuries (397, 398, 399) constrained to a weighting of 0.199.

RAF scoring is normalized to 1.0 representing an average Medicare patient who would be expected to have an average medical spend of \$10,402.34 per year. An HCC with a weighting of 0.45 for example would increase the overall expected healthcare costs of the patient by \$4,681.05 ($\$10,402.34 \times .45$). Failing to appropriately document and code for HCCs can have a huge detrimental impact on the budget for a Medicare Advantage value-based agreement or MSSP-ACO, and make it impossible to realize shared savings.

KEY HCC CHANGES

HCCs fully removed in the new (Version 28) model:

Protein-Calorie Malnutrition (10 Dx Codes Removed)

Angina Pectoris (36 Dx Codes Removed)

Dialysis Status (all 50 Dx Codes Removed)

Acute Renal Failure (5 Dx Codes Removed)

Complications of Specified Implanted Device or Graft (all 325 Dx Codes Removed)

Vascular Disease (146 Dx Codes Removed)

Major Depression (425 Dx codes removed)

- Codes removed include major depressive disorders, mild, partial or complete remission, and recurrent major depressive disorder, unspecified.

Other common conditions removed from Version 28:

Polymyalgia rheumatica (but not giant cell arteritis)

Supraventricular tachycardia

Angina pectoris

Antiphospholipid syndrome/Lupus anticoagulant

Sjogren syndrome

Hyper/hypoparathyroidism

Peripheral vascular disease

Concussion

Significant diagnoses added include:

Anorexia nervosa, bulimia nervosa

Alcoholic hepatitis with and without ascites

Malignant pleural effusion

Obstruction of the bile duct

Severe, persistent asthma

Toxic liver disease with hepatitis

Autoimmune skin disorders

Major Differences in HCC models (1)

HCC removed

HCC added

2020 model (V24)	Proposed model (V28)
<p>Neoplasm Disease Group: 5 HCCs HCC 8 (Metastatic Cancer and Acute Leukemia) HCC 9 (Lung and Other Severe Cancers) HCC 10 (Lymphoma and Other Cancers) HCC 11 (Colorectal, Bladder, and Other Cancers) HCC 12 (Breast, Prostate, and Other Cancers and Tumors)</p>	<p>Neoplasm Disease Group: 7 HCCs HCC 17 (Cancer Metastatic to Lung, Liver, Brain, and Other Organs; Acute Myeloid Leukemia Except Promyelocytic) HCC 18 (Cancer Metastatic to Bone, Other and Unspecified Metastatic Cancer; Acute Leukemia Except Myeloid) HCC 19 (Myelodysplastic Syndromes, Multiple Myeloma, and Other Cancers) HCC 20 (Lung and Other Severe Cancers) HCC 21 (Lymphoma and Other Cancers) HCC 22 (Bladder, Colorectal, and Other Cancers) HCC 23 (Prostate, Breast, and Other Cancers and Tumors)</p>
<p>Diabetes Disease Group: 3 HCCs HCC 17 (Diabetes with Acute Complications) HCC 18 (Diabetes with Chronic Complications) HCC 19 (Diabetes without Complication)</p>	<p>Diabetes Disease Group: 4 HCCs HCC 35 (Pancreas Transplant Status) HCC 36 (Diabetes with Severe Acute Complications) HCC 37 (Diabetes with Chronic Complications) HCC 38 (Diabetes with Glycemic, Unspecified, or No Complications)</p>
<p>Metabolic Disease Group: 3 HCCs HCC 21 (Protein-Calorie Malnutrition) HCC 22 (Morbid Obesity) HCC 23 (Other Significant Endocrine and Metabolic Disorders)</p>	<p>Metabolic Disease Group: 4 HCCs HCC 48 (Morbid Obesity) HCC 49 (Specified Lysosomal Storage Disorders) HCC 50 (Amyloidosis, Porphyria, and Other Specified Disorders) Metabolic Disorders) HCC 51 (Addison's and Cushing's Diseases, Acromegaly, and Other Specified Endocrine Disorders)</p>
<p>Liver Disease Group: 3 HCCs HCC 27 (End-Stage Liver Disease) HCC 28 (Cirrhosis of Liver) HCC 29 (Chronic Hepatitis) Disorders)</p>	<p>HCCs Liver Disease Group: 5 HCCs HCC 62 (Liver Transplant Status/Complications) HCC 63 (Chronic Liver Failure/End-Stage Liver) HCC 64 (Cirrhosis of Liver) HCC 65 (Chronic Hepatitis) HCC 68 (Cholangitis and Obstruction of Bile</p>

	Duct Without Gallstones)
Gastrointestinal Disease Group: 3 HCCs HCC 33 (Intestinal Obstruction/Perforation) HCC 34 (Chronic Pancreatitis) HCC 35 (Inflammatory Bowel Disease)	Gastrointestinal Disease Group: 5 HCCs HCC 77 (Intestine Transplant Status/Complications) HCC 78 (Intestinal Obstruction/Perforation) HCC 79 (Chronic Pancreatitis) HCC 80 (Crohn's Disease (Regional Enteritis)) HCC 81 (Ulcerative Colitis)
Musculoskeletal Disease Group: 2 HCCs HCC 39 (Bone/Joint/Muscle Infections/Necrosis) HCC 40 (Rheumatoid Arthritis and Inflammatory Connective Tissue Disease)	Musculoskeletal Disease Group: 3 HCCs HCC 92 (Bone/Joint/Muscle/Severe Soft Tissue Infections/Necrosis) HCC 93 (Rheumatoid Arthritis and Other Specified Inflammatory Rheumatic Disorders) HCC 94 (Systemic Lupus Erythematosus and Other Specified Systemic Connective Tissue Disorders)
Blood Disease Group: 3 HCCs HCC 46 (Severe Hematological Disorders) HCC 47 (Disorders of Immunity) HCC 48 (Coagulation Defects and Other Specified Hematological Disorders)	Blood Disease Group: 7 HCCs HCC 107 (Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero) HCC 108 (Sickle Cell Disorders, Except Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero; Beta Thalassemia Major) HCC 109 (Acquired Hemolytic, Aplastic, and Sideroblastic Anemias) HCC 111 (Hemophilia, Male) HCC 112 (Immune Thrombocytopenia and Specified Coagulation Defects and Hemorrhagic Conditions) HCC 114 (Common Variable and Combined Immunodeficiencies) HCC 115 (Specified Immunodeficiencies and White Blood Cell Disorders)
Cognitive Disease Group: 2 HCCs HCC 51 (Dementia With Complications) HCC 52 (Dementia Without Complication)	Cognitive Disease Group: 3 HCCs HCC 125 (Dementia, Severe) HCC 126 (Dementia, Moderate) HCC 127 (Dementia, Mild or Unspecified)
Substance Use Disorder Disease Group: 3 HCCs HCC 54 (Substance Use with Psychotic Complications) HCC 55 (Substance Use Disorder, Moderate/Severe, or Substance Use with Complications) HCC 56 (Substance Use Disorder, Mild, Except Alcohol and Cannabis)	Substance Use Disorder Disease Group: 5 HCCs HCC 135 (Drug Use with Psychotic Complications) HCC 136 (Alcohol Use with Psychotic Complications) HCC 137 (Drug Use Disorder, Moderate/Severe, or Drug Use with Non-Psychotic Complications)

	<p>HCC 138 (Drug Use Disorder, Mild, Uncomplicated, Except Cannabis) HCC 139 (Alcohol Use Disorder, Moderate/Severe, or Alcohol Use with Specified Non-Psychotic Complications)</p>
<p>Psychiatric Disease Group: 4 HCCs HCC 57 (Schizophrenia) HCC 58 (Reactive and Unspecified Psychosis) HCC 59 (Major Depressive, Bipolar, and Paranoid) HCC 60 (Personality Disorders)</p>	<p>Psychiatric Disease Group: 5 HCCs HCC 151 (Schizophrenia) HCC 152 (Psychosis, Except Schizophrenia) HCC 153 (Personality Disorders; Anorexia/Bulimia Disorders) Nervosa) HCC 154 (Bipolar Disorders without Psychosis) HCC 155 (Major Depression, Moderate or Severe, without Psychosis)</p>
<p>Neurological Disease Group: 8 HCCs HCC 73 (Amyotrophic Lateral Sclerosis and Other Motor Neuron Disease) HCC 74 (Cerebral Palsy) HCC 75 (Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy) HCC 76 (Muscular Dystrophy) HCC 77 (Multiple Sclerosis) HCC 78 (Parkinson's and Huntington's Diseases) HCC 79 (Seizure Disorders and Convulsions) HCC 80 (Coma, Brain Compression/Anoxic Damage)</p>	<p>Neurological Disease Group: 12 HCCs HCC 190 (Amyotrophic Lateral Sclerosis and Other Motor Neuron Disease, Spinal Muscular Atrophy) HCC 191 (Quadriplegic Cerebral Palsy) HCC 192 (Cerebral Palsy, Except Quadriplegic) HCC 193 (Chronic Inflammatory Demyelinating Polyneuritis and Multifocal Motor Neuropathy) HCC 195 (Myasthenia Gravis with (Acute) Exacerbation) HCC 196 (Myasthenia Gravis without (Acute) Exacerbation and Other Myoneural Disorders) HCC 197 (Muscular Dystrophy) HCC 198 (Multiple Sclerosis) HCC 199 (Parkinson and Other Degenerative Disease of Basal Ganglia) HCC 200 (Friedreich and Other Hereditary Ataxias; Huntington Disease) HCC 201 (Seizure Disorders and Convulsions) HCC 202 (Coma, Brain Compression/Anoxic Damage)</p>
<p>Heart Disease Group: 5 HCCs HCC 85 (Congestive Heart Failure) HCC 86 (Acute Myocardial Infarction) HCC 87 (Unstable Angina and Other Acute Ischemic Heart Disease) HCC 88 (Angina Pectoris) HCC 96 (Specified Heart Arrhythmias)</p>	<p>Heart Disease Group: 10 HCCs HCC 221 (Heart Transplant Status/Complications) HCC 222 (End Stage Heart Failure) HCC 223 (Heart Assist Device/Artificial Heart) HCC 224 (Acute on Chronic Heart Failure) HCC 225 (Acute Heart Failure (Excludes Acute on Chronic)) HCC 226 (Heart Failure, Except End Stage)</p>

	<p>and Acute) HCC 227 (Cardiomyopathy/Myocarditis) HCC 228 (Acute Myocardial Infarction) HCC 229 (Unstable Angina and Other Acute Ischemic Heart Disease) HCC 238 (Specified Heart Arrhythmias)</p>
<p>Vascular Disease Group: 3 HCCs HCC 106 (Atherosclerosis of the Extremities with Ulceration or Gangrene) HCC 107 (Vascular Disease with Complications) HCC 108 (Vascular Disease)</p>	<p>Vascular Disease Group: 3 HCCs HCC 263 (Atherosclerosis of Arteries with Ulceration or Gangrene) HCC 264 (Vascular Disease with Complications) HCC 267 (Deep Vein Thrombosis and Pulmonary Embolism)</p>
<p>Lung Disease Group: 5 HCCs HCC 110 (Cystic Fibrosis) HCC 111 (Chronic Obstructive Pulmonary Disease) HCC 112 (Fibrosis of Lung and Other Chronic Lung Disorders) HCC 114 (Aspiration and Specified Bacterial Pneumonias) HCC 115 (Pneumococcal Pneumonia, Empyema, Lung Abscess)</p>	<p>Lung Disease Group: 7 HCCs HCC 276 (Lung Transplant Status/Complications) HCC 277 (Cystic Fibrosis) HCC 278 (Idiopathic Pulmonary Fibrosis and Lung Involvement in Systemic Sclerosis) HCC 279 (Severe Persistent Asthma) HCC 280 (Chronic Obstructive Pulmonary Disease, Interstitial Lung Disorders, and Other Chronic Lung Disorders) HCC 282 (Aspiration and Specified Bacterial Pneumonias) HCC 283 (Empyema, Lung Abscess)</p>
<p>Kidney Disease Group: 5 HCCs HCC 134 (Dialysis Status) HCC 135 (Acute Renal Failure) HCC 136 (Chronic Kidney Disease, Stage 5) HCC 137 (Chronic Kidney Disease, Severe, Stage 4) HCC 138 (Chronic Kidney Disease, Moderate, Stage 3)</p>	<p>Kidney Disease Group: 4 HCCs HCC 326 (Chronic Kidney Disease, Stage 5) HCC 327 (Chronic Kidney Disease, Severe, Stage 4) HCC 328 (Chronic Kidney Disease, Moderate, Stage 3b) HCC 329 (Chronic Kidney Disease, Moderate, Stage 3, Except 3B)</p>
<p>Skin Disease Group: 5 HCCs HCC 157 (Pressure Ulcer of Skin with Necrosis Through to Muscle, Tendon, or Bone) HCC 158 (Pressure Ulcer of Skin with Full Thickness Skin Loss) HCC 159 (Pressure Ulcer of Skin with Partial Thickness Skin Loss) HCC 161 (Chronic Ulcer of Skin, Except Pressure) HCC 162 (Severe Skin Burn or Condition)</p>	<p>Skin Disease Group: 7 HCCs HCC 379 (Pressure Ulcer of Skin with Necrosis Through to Muscle, Tendon, or Bone) HCC 380 (Chronic Ulcer of Skin, Except Pressure, Through to Bone or Muscle) HCC 381 (Pressure Ulcer of Skin with Full Thickness Skin Loss) HCC 382 (Pressure Ulcer of Skin with Partial Thickness Skin Loss) HCC 383 (Chronic Ulcer of Skin, Except Pressure, Not Specified as Through to Bone or Muscle)</p>

	HCC 385 (Severe Skin Burn) HCC 387 (Pemphigus, Pemphigoid, and Other Specified Autoimmune Skin Disorders)
Injury Disease Group: 5 HCCs HCC 166 (Severe Head Injury) HCC 167 (Major Head Injury) HCC 169 (Vertebral Fractures without Spinal Cord Injury) HCC 170 (Hip Fracture/Dislocation) HCC 173 (Traumatic Amputations and Complications)	Injury Disease Group: 6 HCCs HCC 397 (Major Head Injury with Loss of Consciousness > 1 Hour) HCC 398 (Major Head Injury with Loss of Consciousness < 1 Hour or Unspecified) HCC 399 (Major Head Injury without Loss of Consciousness) HCC 401 (Vertebral Fractures without Spinal Cord Injury) HCC 402 (Hip Fracture/Dislocation) HCC 405 (Traumatic Amputations and Complications)
Complications Disease Group: 1 HCC HCC 176 (Complications of Specified Implanted Device or Graft)	Complications Disease Group: 0 HCC

The CHI Health EPIC electronic Medical Record has been updated to identify the new version 28 HCCs as well as the ICD-10 codes that map to the (previous) version 24 HCCs.

REFERENCES

- 1) Advance Notice of Methodological Changes for Calendar Year (CY) 2024 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment.Policies
<https://www.cms.gov/files/document/2024-advance-notice-pdf.pdf>



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