

## **CYE 10 THROUGH CYE 13 RISK ADJUSTMENT METHODOLOGIES**

### **CYE 2010 and 2011 Risk Adjustment**

The AHCCCS Acute Risk Adjustment Methodology is generally the same as outlined in the Whitepaper for CYE 09 with comments and exceptions as noted below.

- Used Version 7.5 instead of 7.0 of the Episode Treatment Groups. Same model and vendor were used.
- Audit of encounter information for 1500s found that plans were not consistently pointing header diagnoses to each line of the claim. Some were pointing each line to all diagnoses and some were pointing lines to individual diagnoses as the claim was received. Due to all plans not storing the detail line level information to be able to correct the situation, all plans were required to submit information for all 1500s for CYE 09 to point each line to all diagnoses. This allowed for consistency among the plans.
- The risk adjustment factors for CYE 10 were used for CYE 11.
- No recalibration of risk weights.
- Enrollment and encounters from October 1, 2008 – September 30, 2009 were used to calculate the risk adjustment factors.
- Same eligibility groups were risk adjusted. Non-MED was both risk adjusted and reconciled per the contract amendment for CYE 10 and CYE 11.
- Full impact (100%) of the risk adjustment factors was applied to the rates.
- Encounter data for Pima Health Plan was considered complete and accurate and therefore used for risk adjustment.
- Administration was adjusted to reflect the decreased administration built into the capitation rates for CYE 10. The new administration factor used in risk adjustment was the contractor's bid administration PMPM reduced by 5.88%.
- Risk Contingency was adjusted to reflect the decreased risk contingency built into the capitation rates for CYE 10. The new risk contingency factor used in risk adjustment was the contractor's bid risk contingency PMPM reduced by 50%.
- Newborns: Updated member and encounter information for a new period based on using diagnosis data for the period October 1, 2008 – September 30, 2009 for those members who were less than 1 year of age during that time frame and had at least three months of experience or disenrolled due to death.
- Newborns: Eliminated methodology for plans that were new to a GSA versus existing health plans. All plans are now existing and treated as such.
- Newborns: GSA 10 was treated as two separate GSAs (Pima only and Pima and Santa Cruz combined) instead of one. This was consistent with the non-newborn methodology.

## **CYE 2012 and 2013 Risk Adjustment**

The AHCCCS Acute Risk Adjustment Methodology is generally the same as outlined in the Whitepaper for CYE 09 with comments and exceptions as noted below.

- Used Version 7.5 instead of 7.0 of the Episode Treatment Groups. Same model and vendor were used.
- Due to the diagnosis issue on the 1500s as detailed above and the fact that Contractors were only required to clean up data beginning with CYE 09, risk adjustment was delayed until AHCCCS had a clean contract period in which all Contractors were reporting on the same basis.
- The risk adjustment factors for CYE 12 were used for CYE 13.
- No recalibration of risk weights.
- Enrollment and encounters from July 1, 2010 – June 30, 2011 were used to calculate the risk adjustment factors.
- Same eligibility groups were risk adjusted. In addition to the Non-MED reconciliation, the Acute Program Tiered Reconciliation for the other risk groups was in place for both CYE 12 and CYE 13.
- Full impact (100%) of the risk adjustment factors was applied to the rates.
- Encounter data for Pima Health Plan was considered complete and accurate and therefore used for risk adjustment.
- Administration was adjusted to reflect the decreased administration built into the capitation rates for CYE 10. The new administration factor used in risk adjustment was the Contractor's bid administration PMPM reduced by 5.88%.
- Risk Contingency was adjusted to reflect the decreased risk contingency built into the capitation rates for CYE 10. The new risk contingency factor used in risk adjustment was the Contractor's bid risk contingency PMPM reduced by 50%.
- Newborns: Updated member and encounter information for a new period based on using diagnosis data for the period July 1, 2010 – June 30, 2011 for those members who were less than 1 year of age during that time frame and had at least three months of experience or disenrolled due to death.
- Newborns: Eliminated methodology for plans that were new to a GSA versus existing health plans. All plans are now existing and treated as such.
- Newborns: GSA 10 was treated as two separate GSAs (Pima only and Pima and Santa Cruz combined) instead of one. This was consistent with the non-newborn methodology.