

ERRATA
Healthcare Risk Adjustment and Predictive Modeling
2nd Edition
UPDATED April 22, 2019

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In point number 3, where it reads, “transfers revenue from plans with relatively high-risk populations to plans with relatively low-risk populations...”, substitute “transfers revenue from plans with relatively low-risk populations to plans with relatively high-risk populations...”

The aggregate risk ratio is used to determine what risk adjustment method is used for the different Medicare enrollment types

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The ACO’s continuously assigned beneficiaries’ risk scores are recalculated for both CMS-HCC and demographic scores. **CMS will then determine whether a** prospective HCC or demographic risk adjustment ~~could~~ **will** be used for the continuously assigned population at the aggregate level (rather than within each Medicare enrollment type). For this calculation, risk ratios for each continuously assigned ...

This is a slightly different notation than previously

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- Updated (adjusted) benchmark. The Benchmark year cost PMPY (C_0) is updated to the first performance year claim cost, C'_{PY1} , in two ways:
 - With the change in risk profile of the population: $C'_{PY1} = (C_0) * (R_{PY1} / R_{B3})$
 - By adding the absolute increase in National Parts A and B PMPY. This increase is not risk- or trend-adjusted.
- Other data elements required for the calculation are:
 - Performance year expenditures ($C_t, t=1,2,3$) and
 - Absolute national increase in per capita expenditures
 - **The risk ratio (R_{PY1} / R_{B3}) is calculated in accordance with section 22.5**

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- The second to last line at the bottom of the page:
 - Track 1+, which is the MSSP model with the lowest risk that qualifies as an **Advanced** APM. Once an ACO enters Track 1+, it may not revert to Track 1, and once the ACO enters Tracks 2 or 3, it

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- The description of Track 1+
 - Track 1+: two-sided basis. Potential gainsharing up to 50% of savings to a maximum of 10% of benchmark costs. Loss sharing is ~~limited to~~ **fixed at** 30% of losses. Loss sharing is limited to 4% of benchmark costs OR 8% of fee-for-service revenues.