

MEDICARE ADVANTAGE

Part D – Prescription Hierarchical Condition Categories (RxHCC)

Risk adjustment is a mechanism used by the Centers for Medicare & Medicaid Services (CMS) to set premium levels paid to Medicare Advantage plans for managing Medicare beneficiaries' health care costs. Within the CMS-Hierarchical Condition Categories (HCC) model, each member is assigned a risk score based on their demographics and diagnoses. The Part D or RxHCC model is the component of risk adjustment used to predict the expected costs of prescription drugs for each member. In both models, ICD-10 codes for significant conditions map to HCCs. CMS uses HCCs to determine the diagnosis component of the individual risk score.

The Importance of Part D Risk Adjustment

The Inflation Reduction Act (IRA) of 2022 redesigned the Part D benefit, and a much larger portion of drug spending will be risk adjusted in the future. These Part D risk adjustment changes make accurate documentation and diagnosis of chronic conditions more important than ever.

Diagnoses are captured in a similar way for both the CMS-HCC and RxHCC models. They both consider the medical record documentation from an in-person visit and corresponding diagnosis codes on the claim. A common misconception of the RxHCC model is the diagnosis added to a prescription and sent to the pharmacy is included in the calculation. However, this scenario doesn't count towards Part D risk adjustment.

Many diagnoses map to an HCC in both models, while some diagnoses only map to one model. There are 1,432 diagnoses that are only risk adjustable with the RxHCC model. To help providers capture RxHCC diagnoses, these conditions have been added to the electronic patient assessment form.

Common Diagnoses – Part D ONLY

Diagnosis Code	Description
Anxiety and Other Psychiatric Disorders	
F411	Generalized anxiety disorder
F410	Panic disorder [episodic paroxysmal anxiety]
F4321	Adjustment disorder with depressed mood
F4310	Post-traumatic stress disorder, unspecified
F4323	Adjustment disorder with mixed anxiety and depressed mood
Chronic Obstructive Pulmonary Disease, Bronchiectasis, and Other Asthma	
J45909	Unspecified asthma, uncomplicated
J4520	Mild intermittent asthma, uncomplicated
J4540	Moderate persistent asthma, uncomplicated
J4530	Mild persistent asthma, uncomplicated

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Common Diagnoses – Part D ONLY (Continued)

Diagnosis Code	Description
Coronary Artery Disease	
I2510	Atherosclerotic heart disease of native coronary artery without angina pectoris
I252	Old myocardial infarction
I255	Ischemic cardiomyopathy
I25810	Atherosclerosis of coronary artery bypass graft(s) without angina pectoris
I259	Chronic ischemic heart disease, unspecified
I2584	Coronary atherosclerosis due to calcified coronary lesion
Depression	
F32A	Depression, unspecified
F329	Major depressive disorder, single episode, unspecified
F341	Dysthymic disorder
Disorders of Lipoid Metabolism	
E785	Hyperlipidemia, unspecified
E782	Mixed hyperlipidemia
E7800	Pure hypercholesterolemia, unspecified
E7849	Other hyperlipidemia
E781	Pure hyperglyceridemia
E7801	Familial hypercholesterolemia
Hypertension	
I10	Essential (primary) hypertension
I129	Hypertensive chronic kidney disease with stage 1 through stage 4 chronic kidney disease, or unspecified chronic kidney disease
I119	Hypertensive heart disease without heart failure
I1310	Hypertensive heart and chronic kidney disease without heart failure, with stage 1 through stage 4 chronic kidney disease, or unspecified chronic kidney disease
I160	Hypertensive urgency
I152	Hypertension secondary to endocrine disorders
Thyroid Disorders	
E039	Hypothyroidism, unspecified
E038	Other specified hypothyroidism
E041	Nontoxic single thyroid nodule
E890	Postprocedural hypothyroidism
E042	Nontoxic multinodular goiter
E079	Disorder of thyroid, unspecified
E063	Autoimmune thyroiditis
E0590	Thyrotoxicosis, unspecified without thyrotoxic crisis or storm