



Oncology Nursing Society

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April 22, 2016

Andrew Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services, Room 445-G
Hubert H. Humphrey Building
200 Independence Ave, S.W.
Washington, DC 20201

Re: White Paper, March 31, 2016, HHS-Operated Risk Adjustment Methodology Meeting

Dear Acting Administrator Slavitt:

The Oncology Nursing Society (ONS) appreciates the opportunity to provide input on the White Paper released by CMS on March 24, 2016 related to the Department of Health and Human Services (HHS)-operated risk adjustment methodology used in the individual and small group markets, including the marketplace plans under the Affordable Care Act (hereinafter White Paper). Our comments below reflect key issues of interest to oncology nurses and the patients we serve. We encourage CMS to take these comments into consideration when developing policies and proposals for future rulemaking.

Support for Risk Adjustment Methodology

The Affordable Care Act established a permanent risk adjustment program to provide payments to health insurance issuers that attract high-risk enrollees, such as those with chronic conditions, thereby reducing the incentive for issuers to avoid those enrollees and lessening the potential influence of risk selection on the premiums that plans charge. The risk adjustment methodology developed by the HHS is based on the premise that premiums should reflect the differences in plan benefits, quality, and efficiency – not the health status of the enrolled population. The HHS-developed risk adjustment methodology determines each plan's risk adjustment transfer amount based on the actuarial risk of enrollees, the actuarial value (AV) of coverage, utilization and the cost of doing business in local rating areas, and the effect of different cost-sharing levels on utilization.

ONS supports and applauds CMS' efforts to implement premium stabilization programs such as risk adjustment to ensure that plans are available for high-risk enrollees in the health insurance marketplace. Healthcare coverage is essential in providing access to services that ensure quality cancer care. Lack of insurance or inadequate healthcare coverage adversely affects health on multiple levels. We encourage CMS, wherever possible, to continue to ensure diversity of plan choice in the marketplace particularly with respect to cancer treatment.

Prescription Drugs

The current risk adjustment methodology only takes into consideration age, gender, and diagnoses codes from medical records to assess each beneficiary's health status. In the White Paper and as discussed during the March 31, 2016 meeting, CMS seeks to include prescription drugs in the risk



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adjustment methodology. CMS believes prescription drug utilization can convey more accurate information about the health status of health plan enrollees through both imputing missing diagnoses and as being able to more precisely identify severely-ill individuals separately from those with milder cases of the same health conditions.

- **Imputing Missing Diagnoses:** According to CMS, one role for inclusion of prescription drugs into the risk adjustment formula is to fill in the gaps where diagnoses may be missing due to under-recording in medical claims or encounter data. As indicators of treatment provided, drug data can augment incomplete diagnostic data from claims or encounters.

ONS supports the inclusion of prescription drug data for the purpose of imputing missing diagnoses to promote greater accuracy in determining the health status of patients.

- **Severity Indicator:** According to CMS, another role for inclusion of prescription drugs into the risk adjustment formula is to provide a more complete picture of the severity of a patient's illness. While the Hierarchical Condition Categories (HCCs) already capture information about illness severity from diagnoses, examining the drugs prescribed to patients within a particular HCC can determine the severity of a patient's illness compared to others diagnosed with the same condition.

ONS supports use of prescription drug data in the risk adjustment methodology for use as a severity indicator, because additional indicators are needed to account for variations in cancer illnesses. For example, in the current risk adjustment model, breast cancer is only differentiated by age (the HCC011 classification for adult breast cancer patients is further broken down to differentiate patients under and over 50 years of age). We believe inclusion of prescription drug data could help to further classify the severity of breast cancer in patients within HCC011.

While we understand the complexity in determining which of the 7,000+ possible RXC-HCC pairs to include for demonstration of a hybrid model in the White Paper, we encourage CMS to consider adding a RXC-HCC pair related to cancer to provide a more accurate picture of the overall health of cancer patients. We urge CMS to work with ONS to potentially incorporate prescription drugs related to cancer treatment in its risk adjustment model.

ONS thanks CMS for its commitment to furthering the practice of and access to oncology care through improvements in the risk adjustment model. We request that CMS continue to provide transparency in determining how policies affect oncology care and patients. We would be happy to discuss ways in which ONS may be of assistance to CMS, and would encourage you to contact Alec Stone at astone@ons.org to coordinate a time to discuss our comments. We look forward to engaging in an ongoing dialogue to address issues of importance to ONS and cancer patients.

Sincerely,

The Oncology Nursing Society