

## **PROPOSED CYE 14 AND CYE 15 RISK ADJUSTMENT METHODOLOGIES**

AHCCCS implemented the current risk adjustment methodology effective October 1, 2008. It is AHCCCS' intent to use similar risk adjustment process for CYE 14 and CYE 15 with a few changes as discussed below.

Due to the potential transition of members in the case of an Unsuccessful Incumbent Contractor, and enhanced auto-assignment activity as discussed in Section H, Paragraph 10, Acute Care Program Enrollment After Contract Award, and given anticipated membership changes that may occur due to Health Care Reform, enrollment by Contractor may be volatile in CYE 14. As such, risk adjustment should not be performed until such time that membership changes have stabilized. Therefore, AHCCCS anticipates applying risk adjustment risk factors as follows, subject to changes at AHCCCS' discretion:

1. For CYE 14 the proposed data set will be dates of service from October 1, 2013, to September 30, 2014. AHCCCS anticipates processing the data in January 2015 using retrospective weighting and applying the resulting risk factors by April 2015, retroactive to October 1, 2013.
2. For CYE 15 the proposed data set will be dates of service from October 1, 2013, to September 30, 2014. AHCCCS anticipates processing the data in January 2015 using prospective weighting and applying the resulting factors retroactive to October 1, 2014. AHCCCS anticipates updating these risk factors for CYE 15 at a later date to be determined. The processing date and dates of service will be dependent upon the end date of the application of the enhanced auto-assignment described in Section H, Paragraph 10, Acute Care Program Enrollment After Contract Award.
3. The risk adjustment methodology for contract years subsequent to CYE 15 will be set forth at a later date.

While the methodology presented in this document represents the methodology intended to be implemented, additional analysis is ongoing. Therefore, although there are no plans to amend, AHCCCS reserves the right to amend the methodology and this document to ensure that results are reasonable and the final rating approach is actuarially sound.