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Via Electronic Submission ([www.regulations.gov](http://www.regulations.gov))

October 26, 2011

Donald M. Berwick, MD, MPP  
Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

**Re: Patient Protection and Affordable Care Act; Standards Related to Reinsurance, Risk Corridors and Risk Adjustment, File Code CMS-9975-P**

Dear Administrator Berwick:

The Association of American Medical Colleges (AAMC or the Association) is pleased to comment on the Centers for Medicare and Medicaid Services' (CMS' or the Agency's) proposed rule entitled *Patient Protection and Affordable Care Act; Standards Related to Reinsurance, Risk Corridors and Risk Adjustment*. 76 *Fed. Reg.* 41930 (July 15, 2011). The AAMC represents all 135 accredited U.S. medical schools, nearly 400 major teaching hospitals and health systems, and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 125,000 faculty members, 75,000 medical students, and 106,000 resident physicians. Our comments focus on the proposals related to risk adjustment. It is critical that an accurate, adequate, and robust risk adjustment methodology be developed and used in the implementation of health insurance exchanges (HIEs or Exchanges) and qualified health plans (QHPs).

The AAMC appreciates CMS' work to ensure that all QHPs have comparable and valid risk adjustment. Accurate risk adjustment will be crucial to ensuring that plans' premium differences are not solely the result of favorable or unfavorable risk selection or choices by high risk enrollees in the individual and small group market. Further, accurate risk adjustment will help ensure Exchange enrollee access, preventing plans from cherry-picking enrollees and avoiding more complex, sicker patients.

The process for disseminating the Federally-certified risk adjustment methodology, as well as any State alternatives, has been put forth in this proposed rule, yet what will constitute the "Federally-certified risk adjustment methodology" remains poorly defined. The preamble text notes that "the Secretary may utilize criteria and methods similar to the criteria and methods utilized under part C or D of title XVIII of the Social Security Act. We seek to minimize issuer

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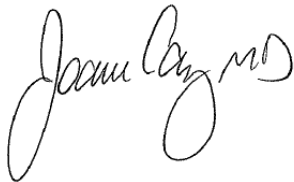
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burden and will leverage existing processes of part C and D wherever appropriate while recognizing the differences in market demographics in determining methodologies.” 76 *Fed. Reg.* at 41938. The AAMC understands why the Agency has proposed this approach, however, the current risk adjustment methodologies are inadequate and need to be modified. In particular, current methods do not fully account for the sickest, most complex patients, nor do they consider other patient characteristics, such as socio-economic status (SES), which have been shown to have an impact on patient outcomes and cost. As the AAMC has discussed in other comment letters, we believe these characteristics should be included in any risk adjustment methodology.

As noted in the rule, the forthcoming annual notice of benefit and payment parameters will contain a “full description of the risk adjustment model, including but not limited to: demographic factors, diagnostic factors, and utilization factors if any; the qualifying criteria for establishing that an individual is eligible for a specific factor; the weights assigned to each factor; the data required to support the model; and information regarding the deadlines for data submission and the schedule for risk adjustment factor determination.” 76 *Fed. Reg.* at 41938. The AAMC understands that this information will be released in the near future; however, the Association urges that, in addition to making the notice publicly available, CMS also accept comments on the risk adjustment methodology at the outset, and each time changes are announced.

If you have any questions concerning these comments, please feel free to contact me or Jane Eilbacher, Policy and Regulatory Specialist, at [jeilbacher@aamc.org](mailto:jeilbacher@aamc.org) or 202-828-0896.

Sincerely,

A handwritten signature in black ink, appearing to read "Joanne Conroy, MD". The signature is fluid and cursive, with the first name "Joanne" being the most prominent.

Joanne Conroy, M.D.  
Chief Health Care Officer

cc: Jane Eilbacher, AAMC