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Acting Director  
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Jennifer Wuggazer Lazio, FSA, MAAA  
Director  
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Office of the Actuary  

Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
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March 3, 2017  


Dear Dr. Tudor and Ms. Lazio,  

The Alzheimer’s Association appreciates the opportunity to comment on the Advance Notice of Methodological Changes for Calendar Year (CY) 2018 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2018 Call Letter.  

The Alzheimer’s Association is the world’s leading voluntary health organization in Alzheimer’s disease care, support, and research. Today, there are more than 5 million Americans living with Alzheimer’s disease, and it is the only cause of death among the top 10 without a way to prevent, cure, or even slow its progression. As the size and proportion of the United States population age 65 and older continue to increase, the number of Americans with Alzheimer’s disease and other dementias will grow.¹ Caring for individuals with Alzheimer’s disease cost $236 billion in 2016 with Medicare and Medicaid bearing $160 billion--68 percent--of that figure.² Thus, we encourage the Centers for Medicare & Medicaid Services (CMS) to consider the following comments to improve both payment accuracy and care for this growing population of beneficiaries.  

**CMS-HCC Risk Adjustment Model for CY 2018**  
We support CMS’s ongoing efforts to improve its risk adjustment model. We remain very concerned, however, by the continued omission of dementia-related Hierarchical Condition Category (HCC) codes. Omission of dementia-related HCC codes from risk adjustment significantly reduces the predictive ratio of the model. In fact, an assessment of the 2014 model—which does not include dementia codes--found  

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² Ibid.
that expenditures for Alzheimer’s disease and related disorders are underpredicted by nearly $1.1 billion.\(^3\) Furthermore, plans that serve the sickest beneficiaries may experience a negative disproportionate impact without appropriate risk adjustment.

In its Final Calendar Year 2017 Call Letter, CMS responded to the Association’s comments about omission of dementia codes. It expressed concern that the “broad clinical definition may result in dementia being coded at greater levels in MA relative to FFS, resulting in overstatement of the risk of such beneficiaries and leading to inaccurate payment. Such concerns do not revolve around whether the coding is accurate, but rather whether it is different than in FFS.”

We respectfully request that CMS expand on its concerns as they relate to these differences. We believe CMS was making the distinction between fee-for-service (FFS) payments being based primarily on services and not adjusted for diagnosis, whereas MA payments are set across a population and adjusted according to diagnosis to predict costs for that population in the coming year. If so, we wonder whether CMS’s concern stems from the differing health care needs--and associated costs--of persons in the early stages versus the later stages of the disease. Persons in the early stages of the disease generally have fewer health care needs and costs compared to those in the later stages, and yet they all share the same diagnosis codes. We understand that applying one set of codes and adjustment to a broad population may not accurately represent those cost differences. We respectfully suggest that CMS look closely at the various dementia codes being used in MA and FFS, identify those codes associated with higher costs, and consider steps it can take to improve payment accuracy and serve beneficiaries according to their particular needs.

**New Measure: Antipsychotic Use in Persons with Dementia (APD) (Part D)**
The Alzheimer’s Association appreciates CMS’s ongoing efforts to reduce inappropriate antipsychotic use in persons with dementia. Historically, antipsychotic medications have been used appropriately and inappropriately to address some of the behavioral and psychological symptoms of dementia (BPSD), such as agitation, aggression, and hallucinations. The Association fully supports that for all BPSD, non-pharmacologic interventions should be a first-line alternative to pharmacologic therapies. However, the Association continues to support the appropriate use of medications when BPSD pose a greater risk to individuals and families living with dementia than the medications.

Persons with dementia and families acknowledge the potential benefits of appropriately-used antipsychotics, even if the medication does not have an FDA-approved indication for their symptoms. They report that such medications can ease paranoia or anxiety and can alleviate the rage some people experience, keeping them and others safe and allowing them to remain in their homes. These medications may calm an agitated person for a few hours, allowing him or her to attend an adult day program, granting a caregiver a few hours of respite. Many persons with dementia and their families can make informed choices regarding the use of antipsychotic medications. This measure does not account for this informed consent, preference, and the potential improvements in the quality of life for some individuals.

\(^3\) Avalere Health. (2016). *Analysis of the Accuracy of the CMS-Hierarchical Condition Category Model*. 
Finally, we strongly support CMS’s decision to further examine diagnosis data and current use before adding the measure to the Star Ratings system.

**Part D**  
*Formulary Submissions*  
We appreciate CMS’s continued encouragement of Part D sponsors to directly notify beneficiaries of formulary additions, like generics, in a timely manner. This reminder may raise plans’ awareness of cost-effective alternatives and prompt them to make it available to enrollees sooner. Access to these treatments can improve beneficiaries’ quality of life while reducing the cost of care to them.

Thank you for the opportunity to comment. The Alzheimer’s Association would be glad to serve as a resource to CMS as it considers these important issues and how they relate to individuals living with Alzheimer’s and related dementias. Please contact Laura Thornhill, Manager of Regulatory Affairs, at 202-638-7042 or lthornhill@alz.org if you have questions or if we can be of additional assistance.

Sincerely,

[Signature]

Robert Egge  
Executive Vice President, Government Affairs