ERRATA
Healthcare Risk Adjustment and Predictive Modeling
2nd Edition
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In Table 13.8, there is a mistake.

The Table as presented in the textbook:

Group	BL Node	Yr 1 Node	Avg Cost Baseline PMPM	MM Baseline	% MM	Avg Cost Year 1 PMPM	MM Year 1	Percent MM
Terminating	1,2, 12	5, 6, 9, 11, 14, 16, 3, 4, 8, 13	$929.75	31,407	11%	$721.73	53,938	18%
Continuing	3 to 9	15	$706.50	186,918	65%	$623.80	180,522	60%
Newly Identified	13 to 16	10	$601.71	70,571	24%	$528.11	64,582	22%

The Table Corrected:

Group	BL Node	Yr 1 Node	Avg Cost Baseline PMPM	MM Baseline	% MM	Avg Cost Year 1 PMPM	MM Year 1	Percent MM
Terminating	1,2, 12	5, 6, 9, 11, 14, 16	$929.75	31,407	11%	$721.73	53,938	18%
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In point number 3, where it reads, "transfers revenue from plans with relatively high-risk populations to plans with relatively low-risk populations…", substitute "transfers revenue from plans with relatively low-risk populations to plans with relatively high-risk populations…"

The aggregate risk ratio is used to determine what risk adjustment method is used for the different Medicare enrollment types

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The ACO's continuously assigned beneficiaries' risk scores are recalculated for both CMS-HCC and demographic scores. CMS will then determine whether a prospective HCC or demographic risk adjustment ~~could~~ will be used for the continuously assigned population at the aggregate level (rather than within each Medicare enrollment type). For this calculation, risk ratios for each continuously assigned …

This is a slightly different notation than previously
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- Updated (adjusted) benchmark. The Benchmark year cost PMPY (C_0) is updated to the first performance year claim cost, C'_{PY1} , in two ways:
  - With the change in risk profile of the population: $C'_{PY1} = (C_0) * (R_{PY1}/ R_{B3})$
  - By adding the absolute increase in National Parts A and B PMPY. This increase is not risk- or trend-adjusted.
- Other data elements required for the calculation are:
  - Performance year expenditures (C_t , t =1,2,3) and
  - Absolute national increase in per capita expenditures
  - The risk ratio (R_{PY1}/ R_{B3}) is calculated in accordance with section 22.5

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- The second to last line at the bottom of the page:
  - Track 1+, which is the MSSP model with the lowest risk that qualifies as an Advanced APM. Once an ACO enters Track 1+, it may not revert to Track 1, and once the ACO enters Tracks 2 or 3, it

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- The description of Track 1+
  - Track 1+: two-sided basis. Potential gainsharing up to 50% of savings to a maximum of 10% of benchmark costs. Loss sharing is limited to fixed at 30% of losses. Loss sharing is limited to 4% of benchmark costs OR 8% of fee-for-service revenues.