

regulations that the Department of the Treasury (Treasury Department) and the IRS published on June 18, 2024 (Basis Shifting TOI Proposed Regulations) and the final regulations published on January 14, 2025 (Basis Shifting TOI Regulations). The data indicated that the percentage of partnerships that would have a disclosure obligation under the Basis Shifting TOI Proposed Regulations or Basis Shifting TOI Regulations and considered to be small business for purposes of the RFA would be low. Accordingly, the removal of the disclosure requirements under the Removal NPRM is not anticipated to have a significant economic impact on a substantial number of small entities.

The RFA discussion in the Basis Shifting TOI Proposed Regulations referenced data provided by IRS's Research, Applied Analytics, and Statistics (RAAS) division, which estimated the percentage of partnerships with gross receipts or sales of \$25 million or less that might have been subject to the disclosure obligations as a result of a basis adjustment under section 743(b) of more than \$5 million during the taxable year. That data suggested that of all partnerships with related parties and a basis adjustment under section 743(b) of more than \$5 million during the taxable year, approximately two-thirds of the partnerships would have gross receipts or sales of \$25 million or less and approximately one-third would have gross receipts or sales of \$25 million or more. The Treasury Department and the IRS determined that the data did not indicate that the Basis Shifting TOI Proposed Regulations would have a significant economic impact on a substantial number of small entities because not all partnerships with gross receipts or sales of \$25 million or less are considered small businesses (see 13 CFR 121.201), and the data did not provide information on whether the partnerships with gross receipts or sales of \$25 million or less were part of larger enterprises.

The RFA discussion in the Basis Shifting TOI Regulations referenced data from the IRS that indicated that, in the case of partnerships with gross assets of less than \$25 million that reported basis adjustments under section 734(b) or section 743(b) for the taxable year, the average basis adjustment was less than the applicable threshold amount of \$10 million or more. Thus, the Treasury Department and the IRS anticipated that many partnerships with gross assets of less than \$25 million would not be subject to the disclosure requirements. Further, the data indicated that partnerships

with gross assets of more than \$25 million that reported basis adjustments under section 734(b) or section 743(b) for the taxable year that met the applicable threshold amount of \$10 million or more represented less than one percent of all partnerships that file tax returns for the taxable year.

Pursuant to section 7805(f), this notice of proposed rulemaking has been submitted to the Chief Counsel for the Office of Advocacy of the Small Business Administration for comment on its impact on small business.

IV. *Unfunded Mandates Reform Act*

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of \$100 million (updated annually for inflation). These proposed rules do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

V. *Executive Order 13132: Federalism*

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of Executive Order 13132. These proposed regulations do not have federalism implications and do not impose substantial direct compliance costs on State and local governments or preempt State law within the meaning of Executive Order 13132.

Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to comments that are submitted timely to the IRS as prescribed in the preamble under the **ADDRESSES** section. All comments and a plain language summary of the proposed rule will be made available at <https://www.regulations.gov> or upon request. A public hearing will be scheduled if requested in writing by any person that timely submits electronic or written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

Statement of Availability of IRS Documents

Notices cited in this document are published in the Internal Revenue Bulletin and are available from the Superintendent of Documents, U.S. Government Publishing Office, Washington, DC 20402, or by visiting the IRS website at <https://www.irs.gov>.

Drafting Information

The principal authors of this notice of proposed rulemaking are personnel of the Office of the Associate Chief Counsel (Passthroughs, Trusts, and Estates). However, other personnel from the Treasury Department and the IRS participated in its development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, the Treasury Department and the IRS propose to amend 26 CFR part 1 as follows:

PART 1—INCOME TAXES

■ **Paragraph 1.** The authority citation for part 1 is amended by removing the entry for § 1.6011–18 to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

§ 1.6011–18 [Removed]

■ **Par. 2.** Section 1.6011–18 is removed.

Frank J. Bisignano,
Chief Executive Officer.

[FR Doc. 2026–04432 Filed 3–5–26; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 600

Office of the Secretary

45 CFR Parts 153, 154, 155, 156, and 158

[CMS–9883–CN]

RIN 0938–AV62

Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program; Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

ACTION: Proposed rule; correction.

SUMMARY: This document corrects technical errors in the proposed rule that appeared in the February 11, 2026, **Federal Register** titled “Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program.”

DATES: This correction is effective March 6, 2026.

FOR FURTHER INFORMATION CONTACT:

Jeff Wu, (301) 492–4305, Rogelyn McLean, (410) 786–1524, Grace Bristol, (410) 786–8437, for general information. Ayesha Anwar, (301) 448–3625, or Joshua Paul, (301) 492–4347, for matters related to the HHS-operated risk adjustment and risk adjustment data validation (HHS–RADV) programs.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2026–02769 of February 11, 2026 (91 FR 6292), there were a number of technical errors that are identified and corrected in this correcting document.

II. Summary of Errors

On pages 6306 through 6319, we inadvertently omitted column headings in Tables 1 through 7.

III. Correction of Errors

In FR Doc. 2026–02769 of February 11, 2026 (91 FR 6292), make the following corrections:

1. On pages 6306 through 6312, the table titled “TABLE 1: Proposed Adult Risk Adjustment Model Factors for the 2027 Benefit Year” is corrected to read as follows:

TABLE 1—PROPOSED ADULT RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR

HCC or RXC No.	Factor	Platinum	Gold	Silver	Bronze	Catastrophic
Demographic Factors						
	Age 21–24, Male	0.189	0.135	0.097	0.068	0.060
	Age 25–29, Male	0.201	0.142	0.100	0.067	0.059
	Age 30–34, Male	0.231	0.166	0.118	0.080	0.070
	Age 35–39, Male	0.252	0.183	0.130	0.088	0.076
	Age 40–44, Male	0.280	0.206	0.149	0.101	0.088
	Age 45–49, Male	0.322	0.244	0.183	0.132	0.118
	Age 50–54, Male	0.371	0.286	0.219	0.163	0.147
	Age 55–59, Male	0.413	0.322	0.250	0.188	0.171
	Age 60–64, Male	0.467	0.366	0.286	0.216	0.198
	Age 21–24, Female	0.278	0.196	0.132	0.082	0.067
	Age 25–29, Female	0.311	0.221	0.149	0.091	0.074
	Age 30–34, Female	0.384	0.288	0.209	0.144	0.126
	Age 35–39, Female	0.435	0.335	0.253	0.184	0.166
	Age 40–44, Female	0.484	0.379	0.292	0.216	0.195
	Age 45–49, Female	0.491	0.385	0.293	0.214	0.192
	Age 50–54, Female	0.506	0.397	0.302	0.219	0.197
	Age 55–59, Female	0.467	0.358	0.265	0.184	0.162
	Age 60–64, Female	0.467	0.355	0.260	0.177	0.154
Diagnosis Factors						
HCC001	HIV/AIDS	0.000	0.000	0.000	0.000	0.000
HCC002	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock.	8.520	8.314	8.233	8.129	8.123
HCC003	Central Nervous System Infections, Except Viral Meningitis.	7.760	7.653	7.601	7.527	7.511
HCC004	Viral or Unspecified Meningitis	6.855	6.746	6.678	6.590	6.569
HCC006	Opportunistic Infections	8.110	8.053	7.995	7.916	7.892
HCC008	Metastatic Cancer	22.129	21.703	21.654	21.525	21.533
HCC009	Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid Leukemia.	12.286	11.994	11.925	11.798	11.789
HCC010	Non-Hodgkin Lymphomas and Other Cancers and Tumors.	5.400	5.216	5.126	5.002	4.980
HCC011	Colorectal, Breast (Age <50), Kidney, and Other Cancers.	3.851	3.657	3.554	3.419	3.396
HCC012	Breast (Age 50+) and Prostate Cancer, Benign/Uncertain Brain Tumors, and Other Cancers and Tumors.	2.465	2.326	2.237	2.127	2.105
HCC013	Thyroid Cancer, Melanoma, Neurofibromatosis, and Other Cancers and Tumors.	1.025	0.930	0.825	0.710	0.681
HCC018	Pancreas Transplant Status	5.506	5.552	5.642	5.734	5.757
HCC019	Diabetes with Acute Complications	0.189	0.145	0.102	0.060	0.050
HCC020	Diabetes with Chronic Complications	0.189	0.145	0.102	0.060	0.050
HCC021	Diabetes without Complication	0.189	0.145	0.102	0.060	0.050
HCC022	Type 1 Diabetes Mellitus, add-on to Diabetes HCCs 19–21.	0.179	0.155	0.111	0.045	0.023
HCC023	Protein-Calorie Malnutrition	10.099	9.974	9.925	9.854	9.843
HCC026	Mucopolysaccharidosis	18.785	18.604	18.567	18.498	18.495
HCC027	Lipidoses and Glycogenosis	18.785	18.604	18.567	18.498	18.495
HCC029	Amyloidosis, Porphyria, and Other Metabolic Disorders.	5.455	5.353	5.299	5.229	5.216

TABLE 1—PROPOSED ADULT RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR—Continued

HCC or RXC No.	Factor	Platinum	Gold	Silver	Bronze	Catastrophic
HCC030	Adrenal, Pituitary, and Other Significant Endocrine Disorders.	1.291	1.216	1.150	1.071	1.053
HCC034	Liver Transplant Status/Complications	5.506	5.552	5.642	5.734	5.757
HCC035_1 ^a	Acute Liver Failure/Disease, Including Neonatal Hepatitis.	6.880	6.693	6.630	6.548	6.543
HCC035_2	Chronic Liver Failure/End-Stage Liver Disorders	2.234	2.070	2.000	1.906	1.896
HCC036	Cirrhosis of Liver	0.616	0.537	0.476	0.401	0.387
HCC037_1	Chronic Viral Hepatitis C	0.516	0.455	0.396	0.336	0.325
HCC037_2	Chronic Hepatitis, Except Chronic Viral Hepatitis C	0.516	0.455	0.396	0.336	0.325
HCC041	Intestine Transplant Status/Complications	5.506	5.552	5.642	5.734	5.757
HCC042	Peritonitis/Gastrointestinal Perforation/Necrotizing Enterocolitis.	10.409	10.234	10.209	10.146	10.144
HCC045	Intestinal Obstruction	4.795	4.594	4.499	4.369	4.350
HCC046	Chronic Pancreatitis	2.131	1.971	1.875	1.755	1.738
HCC047	Acute Pancreatitis	2.131	1.971	1.875	1.755	1.738
HCC048	Inflammatory Bowel Disease	3.007	2.889	2.788	2.652	2.614
HCC054	Necrotizing Fasciitis	6.731	6.567	6.536	6.475	6.470
HCC055	Bone/Joint/Muscle Infections/Necrosis	4.138	3.961	3.912	3.843	3.843
HCC056	Rheumatoid Arthritis and Specified Autoimmune Disorders.	1.363	1.259	1.188	1.104	1.086
HCC057	Systemic Lupus Erythematosus and Other Auto-immune Disorders.	0.355	0.286	0.198	0.098	0.069
HCC061	Osteogenesis Imperfecta and Other Osteodystrophies.	1.753	1.635	1.546	1.437	1.415
HCC062	Congenital/Developmental Skeletal and Connective Tissue Disorders.	1.753	1.635	1.546	1.437	1.415
HCC063	Cleft Lip/Cleft Palate	0.823	0.732	0.640	0.542	0.520
HCC066	Hemophilia	70.952	70.627	70.590	70.491	70.495
HCC067	Myelodysplastic Syndromes and Myelofibrosis	9.888	9.761	9.718	9.648	9.639
HCC068	Aplastic Anemia	9.888	9.761	9.718	9.648	9.639
HCC069	Acquired Hemolytic Anemia, Including Hemolytic Disease of Newborn.	9.888	9.761	9.718	9.648	9.639
HCC070	Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero.	1.833	1.725	1.635	1.537	1.518
HCC071	Sickle-Cell Disorders, Except Sickle-Cell Anemia (Hb-SS) and Thalassemia Beta Zero; Beta Thal- assemia Major.	1.457	1.397	1.348	1.292	1.279
HCC073	Combined and Other Severe Immunodeficiencies	4.364	4.272	4.239	4.184	4.176
HCC074	Disorders of the Immune Mechanism	4.364	4.272	4.239	4.184	4.176
HCC075	Coagulation Defects and Other Specified Hematological Disorders.	2.167	2.085	2.024	1.948	1.930
HCC081	Drug Use with Psychotic Complications	1.479	1.349	1.232	1.092	1.059
HCC082	Drug Use Disorder, Moderate/Severe, or Drug Use with Non-Psychotic Complications.	1.479	1.349	1.232	1.092	1.059
HCC083	Alcohol Use with Psychotic Complications	0.857	0.746	0.647	0.533	0.507
HCC084	Alcohol Use Disorder, Moderate/Severe, or Alcohol Use with Specified Non-Psychotic Complications.	0.857	0.746	0.647	0.533	0.507
HCC087_1	Schizophrenia	2.215	2.050	1.928	1.784	1.757
HCC087_2	Delusional and Other Specified Psychotic Disorders, Unspecified Psychosis.	2.087	1.932	1.803	1.645	1.611
HCC088	Major Depressive Disorder, Severe, and Bipolar Disorders.	0.927	0.831	0.728	0.609	0.578
HCC090	Personality Disorders	0.666	0.587	0.487	0.377	0.343
HCC094	Anorexia/Bulimia Nervosa	1.855	1.749	1.663	1.555	1.529
HCC096	Prader-Willi, Patau, Edwards, and Autosomal Deletion Syndromes.	9.243	9.207	9.184	9.155	9.144
HCC097	Down Syndrome, Fragile X, Other Chromosomal Anomalies, and Congenital Malformation Syndromes.	0.779	0.715	0.659	0.596	0.581
HCC102	Autistic Disorder	0.670	0.590	0.496	0.397	0.367
HCC103	Pervasive Developmental Disorders, Except Autistic Disorder.	0.666	0.587	0.487	0.377	0.343
HCC106	Traumatic Complete Lesion Cervical Spinal Cord	9.567	9.405	9.331	9.227	9.211
HCC107	Quadriplegia	9.567	9.405	9.331	9.227	9.211
HCC108	Traumatic Complete Lesion Dorsal Spinal Cord	6.337	6.186	6.106	5.994	5.975
HCC109	Paraplegia	6.337	6.186	6.106	5.994	5.975
HCC110	Spinal Cord Disorders/Injuries	4.665	4.482	4.406	4.296	4.280
HCC111	Amyotrophic Lateral Sclerosis and Other Anterior Horn Cell Disease.	6.067	5.909	5.822	5.707	5.686
HCC112	Quadriplegic Cerebral Palsy	0.975	0.868	0.773	0.658	0.631
HCC113	Cerebral Palsy, Except Quadriplegic	0.426	0.363	0.300	0.229	0.210

TABLE 1—PROPOSED ADULT RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR—Continued

HCC or RXC No.	Factor	Platinum	Gold	Silver	Bronze	Catastrophic
HCC114	Spina Bifida and Other Brain/Spinal/Nervous System Congenital Anomalies.	1.116	1.035	0.959	0.864	0.841
HCC115	Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy.	4.927	4.844	4.822	4.783	4.779
HCC117	Muscular Dystrophy	1.362	1.272	1.191	1.094	1.070
HCC118	Multiple Sclerosis	2.461	2.331	2.253	2.151	2.131
HCC119	Parkinson's, Huntington's, and Spinocerebellar Disease, and Other Neurodegenerative Disorders.	1.362	1.272	1.191	1.094	1.070
HCC120	Seizure Disorders and Convulsions	0.929	0.840	0.758	0.660	0.637
HCC121	Hydrocephalus	8.919	8.823	8.773	8.704	8.689
HCC122	Nontraumatic Coma, Except Diabetic, Hepatic, or Hypoglycemic; Nontraumatic Brain Compression/Anoxic Damage.	9.620	9.477	9.417	9.325	9.307
HCC123	Narcolepsy and Cataplexy	4.303	4.171	4.101	4.006	3.987
HCC125	Respirator Dependence/Tracheostomy Status	20.117	19.902	19.845	19.752	19.744
HCC126	Respiratory Arrest	7.858	7.659	7.579	7.478	7.472
HCC127	Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes.	7.858	7.659	7.579	7.478	7.472
HCC128	Heart Assistive Device/Artificial Heart	14.408	14.322	14.312	14.307	14.304
HCC129	Heart Transplant Status/Complications	14.408	14.322	14.312	14.307	14.304
HCC130	Heart Failure	1.628	1.543	1.490	1.421	1.407
HCC131	Acute Myocardial Infarction	4.410	4.188	4.129	4.044	4.047
HCC132	Unstable Angina and Other Acute Ischemic Heart Disease.	3.261	3.073	2.986	2.868	2.856
HCC135	Heart Infection/Inflammation, Except Rheumatic	7.943	7.850	7.792	7.709	7.689
HCC137	Hypoplastic Left Heart Syndrome and Other Severe Congenital Heart Disorders.	2.004	1.911	1.843	1.763	1.745
HCC138	Major Congenital Heart/Circulatory Disorders	2.004	1.911	1.843	1.763	1.745
HCC139	Atrial and Ventricular Septal Defects, Patent Ductus Arteriosus, and Other Congenital Heart/Circulatory Disorders.	2.004	1.911	1.843	1.763	1.745
HCC142	Specified Heart Arrhythmias	1.831	1.725	1.640	1.531	1.501
HCC145	Intracranial Hemorrhage	9.782	9.608	9.545	9.452	9.441
HCC146	Ischemic or Unspecified Stroke	1.438	1.326	1.258	1.173	1.161
HCC149	Cerebral Aneurysm and Arteriovenous Malformation.	1.977	1.859	1.772	1.659	1.634
HCC150	Hemiplegia/Hemiparesis	2.618	2.497	2.459	2.405	2.403
HCC151	Monoplegia, Other Paralytic Syndromes	2.198	2.088	2.019	1.931	1.916
HCC153	Atherosclerosis of the Extremities with Ulceration or Gangrene.	7.585	7.409	7.407	7.376	7.389
HCC154	Vascular Disease with Complications	4.906	4.756	4.694	4.605	4.591
HCC156	Pulmonary Embolism and Deep Vein Thrombosis	7.104	7.018	6.942	6.837	6.805
HCC158	Lung Transplant Status/Complications	11.333	11.261	11.238	11.227	11.221
HCC159	Cystic Fibrosis	2.992	2.873	2.799	2.714	2.700
HCC160	Chronic Obstructive Pulmonary Disease, Including Bronchiectasis.	0.615	0.539	0.454	0.360	0.334
HCC161_1	Severe Asthma	0.615	0.539	0.454	0.360	0.334
HCC161_2	Asthma, Except Severe	0.615	0.539	0.454	0.360	0.334
HCC162	Fibrosis of Lung and Other Lung Disorders	1.305	1.231	1.161	1.075	1.052
HCC163	Aspiration and Specified Bacterial Pneumonias and Other Severe Lung Infections.	6.880	6.765	6.706	6.629	6.616
HCC174	Exudative Macular Degeneration	1.231	1.115	0.988	0.838	0.804
HCC183	Kidney Transplant Status/Complications	5.506	5.552	5.642	5.734	5.757
HCC184	End Stage Renal Disease	17.965	17.541	17.668	17.485	17.544
HCC187	Chronic Kidney Disease, Stage 5	0.749	0.679	0.661	0.621	0.622
HCC188	Chronic Kidney Disease, Severe (Stage 4)	0.749	0.679	0.661	0.621	0.622
HCC203	Ectopic and Molar Pregnancy	1.438	1.302	1.131	0.927	0.875
HCC204	Miscarriage with Complications	0.638	0.554	0.420	0.253	0.193
HCC205	Miscarriage with No or Minor Complications	0.638	0.554	0.420	0.253	0.193
HCC207	Pregnancy with Delivery with Major Complications	3.610	3.349	3.031	2.654	2.581
HCC208	Pregnancy with Delivery with Complications	3.610	3.349	3.031	2.654	2.581
HCC209	Pregnancy with Delivery with No or Minor Complications.	2.645	2.446	2.126	1.713	1.597
HCC210	(Ongoing) Pregnancy without Delivery with Major Complications.	0.668	0.572	0.416	0.240	0.186
HCC211	(Ongoing) Pregnancy without Delivery with Complications.	0.494	0.412	0.283	0.148	0.106
HCC212	(Ongoing) Pregnancy without Delivery with No or Minor Complications.	0.023	0.000	0.000	0.000	0.000
HCC217	Chronic Ulcer of Skin, Except Pressure	1.351	1.259	1.205	1.140	1.131
HCC218	Extensive Third Degree Burns	28.529	28.296	28.253	28.168	28.162

TABLE 1—PROPOSED ADULT RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR—Continued

HCC or RXC No.	Factor	Platinum	Gold	Silver	Bronze	Catastrophic
HCC219	Major Skin Burn or Condition	2.661	2.532	2.452	2.356	2.337
HCC223	Severe Head Injury	16.085	15.926	15.853	15.744	15.724
HCC226	Hip and Pelvic Fractures	7.742	7.485	7.431	7.338	7.340
HCC228	Vertebral Fractures without Spinal Cord Injury	4.007	3.844	3.742	3.608	3.582
HCC234	Traumatic Amputations and Amputation Complications.	4.272	4.112	4.068	3.998	3.995
HCC251	Stem Cell, Including Bone Marrow, Transplant Status/Complications.	17.990	18.025	18.043	18.074	18.067
HCC253	Artificial Openings for Feeding or Elimination	5.400	5.276	5.237	5.177	5.172
HCC254	Amputation Status, Upper Limb or Lower Limb	0.923	0.828	0.775	0.708	0.699
Interacted HCC Counts Factors						
	Severe illness, 1 payment HCC	-5.506	-5.552	-5.642	-5.734	-5.757
	Severe illness, 2 payment HCCs	-5.381	-5.451	-5.529	-5.615	-5.630
	Severe illness, 3 payment HCCs	-4.624	-4.683	-4.671	-4.664	-4.645
	Severe illness, 4 payment HCCs	-4.046	-4.060	-3.933	-3.798	-3.740
	Severe illness, 5 payment HCCs	-3.634	-3.590	-3.359	-3.113	-3.027
	Severe illness, 6 payment HCCs	-3.188	-3.063	-2.734	-2.385	-2.275
	Severe illness, 7 payment HCCs	-2.710	-2.475	-2.060	-1.614	-1.485
	Severe illness, 8 payment HCCs	-2.359	-2.047	-1.553	-1.014	-0.870
	Severe illness, 9 payment HCCs	-0.965	-0.515	0.053	0.682	0.839
	Severe illness, 10 or more payment HCCs	4.976	5.806	6.546	7.415	7.608
	Transplant severe illness, 4 payment HCCs	3.531	3.394	3.262	3.071	3.034
	Transplant severe illness, 5 payment HCCs	6.812	6.664	6.540	6.354	6.326
	Transplant severe illness, 6 payment HCCs	10.112	9.960	9.839	9.656	9.631
	Transplant severe illness, 7 payment HCCs	15.321	15.165	15.051	14.879	14.859
	Transplant severe illness, 8 or more payment HCCs.	29.664	29.601	29.511	29.375	29.357
Enrollment Duration Factors						
	Enrolled for 1 month, at least one payment HCC ...	11.074	9.697	8.663	7.661	7.414
	Enrolled for 2 months, at least one payment HCC	4.976	4.271	3.729	3.226	3.102
	Enrolled for 3 months, at least one payment HCC	3.206	2.743	2.369	2.026	1.944
	Enrolled for 4 months, at least one payment HCC	1.883	1.566	1.297	1.054	0.995
	Enrolled for 5 months, at least one payment HCC	1.400	1.164	0.955	0.763	0.714
	Enrolled for 6 months, at least one payment HCC	0.936	0.762	0.599	0.448	0.407
Affiliated Cost Factors						
ACF01	HIV Pre-Exposure Prophylaxis (PrEP)	3.620	3.551	3.472	3.304	3.258
Prescription Drug Factors						
RXC01	Anti-HIV Agents	4.595	4.125	3.714	3.356	3.280
RXC02	Anti-Hepatitis C (HCV) Agents, Direct Acting Agents.	9.107	8.614	8.476	8.335	8.361
RXC03 ^b	Antiarrhythmics	0.058	0.052	0.046	0.039	0.046
RXC04	Phosphate Binders	0.868	0.993	0.785	0.988	0.917
RXC05	Inflammatory Bowel Disease Agents	1.133	1.100	1.040	0.981	0.962
RXC06	Insulin	1.313	1.147	0.991	0.843	0.805
RXC07	Anti-Diabetic Agents, Except Insulin and Metformin Only.	0.973	0.862	0.698	0.485	0.419
RXC08	Multiple Sclerosis Agents	12.472	11.759	11.490	11.110	11.042
RXC09	Immune Suppressants and Immunomodulators	11.545	10.994	10.921	10.759	10.777
RXC10	Cystic Fibrosis Agents	22.801	22.295	22.221	22.083	22.098
RXC01 x HCC001	Additional effect for enrollees with RXC 01 and HCC 001.	2.629	2.556	2.848	3.009	3.091
RXC02 x HCC037_1, 036, 035_2, 035_1, 034.	Additional effect for enrollees with RXC 02 and (HCC 037_1 or 036 or 035_2 or 035_1 or 034).	-0.516	-0.455	-0.396	-0.336	-0.325
RXC03 x HCC142	Additional effect for enrollees with RXC 03 and HCC 142.	0.000	0.000	0.000	0.000	0.000
RXC04 x HCC184, 183, 187, 188.	Additional effect for enrollees with RXC 04 and (HCC 184 or 183 or 187 or 188).	0.000	0.000	0.000	0.000	0.000
RXC05 x HCC048, 041 ...	Additional effect for enrollees with RXC 05 and (HCC 048 or 041).	-1.106	-1.087	-1.040	-0.981	-0.962
RXC06 x HCC018, 019, 020, 021.	Additional effect for enrollees with RXC 06 and (HCC 018 or 019 or 020 or 021).	0.466	0.511	0.522	0.482	0.474
RXC07 x HCC018, 019, 020, 021.	Additional effect for enrollees with RXC 07 and (HCC 018 or 019 or 020 or 021).	-0.187	-0.143	-0.102	-0.060	-0.050
RXC08 x HCC118	Additional effect for enrollees with RXC 08 and HCC 118.	-0.156	0.110	0.411	0.745	0.854

TABLE 1—PROPOSED ADULT RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR—Continued

HCC or RXC No.	Factor	Platinum	Gold	Silver	Bronze	Catastrophic
RXC09 x HCC056 or 057 and 048 or 041.	Additional effect for enrollees with RXC 09 and (HCC 048 or 041) and (HCC 056 or 057).	0.492	0.557	0.646	0.751	0.780
RXC09 x HCC056	Additional effect for enrollees with RXC 09 and HCC 056.	-1.363	-1.259	-1.188	-1.104	-1.086
RXC09 x HCC057	Additional effect for enrollees with RXC 09 and HCC 057.	-0.355	-0.286	-0.198	-0.098	-0.069
RXC09 x HCC048, 041 ...	Additional effect for enrollees with RXC 09 and (HCC 048 or 041).	-1.901	-1.802	-1.748	-1.670	-1.651
RXC10 x HCC159, 158 ...	Additional effect for enrollees with RXC 10 and (HCC 159 or 158).	36.448	36.460	36.625	36.751	36.785

^aHCC numbers that appear with an underscore in this document will appear without the underscore in the “Do It Yourself (DIY)” software. For example, HCC 35_1 in this table will appear as HCC 351 in the DIY software.

^bWe constrain RXC 03 to be equal to average plan liability for RXC 03 drugs, RXC 04 to be equal to the average plan liability for RXC 04 drugs, and we constrain RXC 03 x HCC142 and RXC 04 x HCC184, 183, 187, 188 to be equal to zero. See *March 2016 Risk Adjustment Methodology Discussion Paper* (2016 March, 16), available at: <https://www.cms.gov/ccio/resources/forms-reports-and-other-resources/downloads/march-31-white-paper-032416.pdf> (where we previously discussed the use of constraints in the HHS risk adjustment models).

2. On pages 6313 through 6316, the table titled “TABLE 2: Proposed Child Risk Adjustment Model Factors for the 2027 Benefit Year” is corrected to read as follows:

TABLE 2—PROPOSED CHILD RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR

Factor	Platinum	Gold	Silver	Bronze	Catastrophic
Demographic Factors					
Age 2–4, Male	0.297	0.217	0.162	0.118	0.106
Age 5–9, Male	0.222	0.154	0.113	0.085	0.077
Age 10–14, Male	0.210	0.146	0.108	0.082	0.076
Age 15–20, Male	0.246	0.179	0.132	0.097	0.088
Age 2–4, Female	0.237	0.166	0.124	0.092	0.084
Age 5–9, Female	0.162	0.102	0.067	0.044	0.039
Age 10–14, Female	0.216	0.153	0.115	0.089	0.082
Age 15–20, Female	0.267	0.187	0.124	0.077	0.063
Diagnosis Factors					
HIV/AIDS	4.494	4.068	3.903	3.679	3.658
Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	14.480	14.282	14.169	14.032	14.013
Central Nervous System Infections, Except Viral Meningitis	14.430	14.273	14.207	14.113	14.097
Viral or Unspecified Meningitis	12.991	12.869	12.785	12.679	12.655
Opportunistic Infections	20.233	20.191	20.119	20.039	20.013
Metastatic Cancer	31.479	31.228	31.163	31.056	31.045
Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid Leukemia	9.613	9.381	9.254	9.091	9.059
Non-Hodgkin Lymphomas and Other Cancers and Tumors	8.609	8.408	8.278	8.118	8.083
Colorectal, Breast (Age <50), Kidney, and Other Cancers	3.753	3.604	3.500	3.366	3.332
Breast (Age 50+) and Prostate Cancer, Benign/Uncertain Brain Tumors, and Other Cancers and Tumors	3.753	3.604	3.500	3.366	3.332
Thyroid Cancer, Melanoma, Neurofibromatosis, and Other Cancers and Tumors	1.204	1.092	0.978	0.855	0.818
Pancreas Transplant Status	11.308	11.349	11.403	11.462	11.475
Diabetes with Acute Complications	2.107	1.904	1.613	1.264	1.175
Diabetes with Chronic Complications	2.107	1.904	1.613	1.264	1.175
Diabetes without Complication	2.107	1.904	1.613	1.264	1.175
Protein-Calorie Malnutrition	17.913	17.788	17.745	17.685	17.674
Mucopolysaccharidosis	27.455	27.228	27.158	27.051	27.042
Lipidoses and Glycogenesis	27.455	27.228	27.158	27.051	27.042
Congenital Metabolic Disorders, Not Elsewhere Classified	4.860	4.741	4.671	4.584	4.566
Amyloidosis, Porphyria, and Other Metabolic Disorders	4.860	4.741	4.671	4.584	4.566
Adrenal, Pituitary, and Other Significant Endocrine Disorders	4.585	4.353	4.263	4.148	4.135
Liver Transplant Status/Complications	11.308	11.349	11.403	11.462	11.475
Acute Liver Failure/Disease, Including Neonatal Hepatitis	12.753	12.612	12.564	12.499	12.492
Chronic Liver Failure/End-Stage Liver Disorders	8.744	8.588	8.509	8.401	8.379
Cirrhosis of Liver	2.077	1.972	1.888	1.798	1.778
Chronic Viral Hepatitis C	2.077	1.972	1.888	1.798	1.778
Chronic Hepatitis, Except Chronic Viral Hepatitis C	1.367	1.287	1.195	1.098	1.073
Intestine Transplant Status/Complications	15.155	15.082	15.015	14.930	14.907
Peritonitis/Gastrointestinal Perforation/Necrotizing Enterocolitis	17.893	17.607	17.538	17.427	17.422
Intestinal Obstruction	3.920	3.746	3.616	3.458	3.423

TABLE 2—PROPOSED CHILD RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR—Continued

Factor	Platinum	Gold	Silver	Bronze	Catastrophic
Chronic Pancreatitis	9.814	9.635	9.554	9.449	9.434
Acute Pancreatitis	6.643	6.415	6.272	6.089	6.054
Inflammatory Bowel Disease	10.636	10.225	10.089	9.880	9.859
Necrotizing Fasciitis	4.686	4.490	4.367	4.224	4.197
Bone/Joint/Muscle Infections/Necrosis	4.686	4.490	4.367	4.224	4.197
Rheumatoid Arthritis and Specified Autoimmune Disorders	4.802	4.534	4.429	4.288	4.270
Systemic Lupus Erythematosus and Other Autoimmune Disorders	1.211	1.106	1.002	0.884	0.852
Osteogenesis Imperfecta and Other Osteodystrophies	1.112	1.008	0.919	0.822	0.799
Congenital/Developmental Skeletal and Connective Tissue Disorders	1.112	1.008	0.919	0.822	0.799
Cleft Lip/Cleft Palate	0.852	0.729	0.606	0.470	0.433
Hemophilia	59.554	59.072	58.973	58.779	58.763
Myelodysplastic Syndromes and Myelofibrosis	11.606	11.431	11.349	11.244	11.231
Aplastic Anemia	11.606	11.431	11.349	11.244	11.231
Acquired Hemolytic Anemia, Including Hemolytic Disease of Newborn	11.606	11.431	11.349	11.244	11.231
Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero	3.359	3.193	3.083	2.958	2.929
Sickle-Cell Disorders, Except Sickle-Cell Anemia (Hb-SS) and Thalassemia Beta Zero; Beta Thalassemia Major	3.359	3.193	3.083	2.958	2.929
Combined and Other Severe Immunodeficiencies	5.693	5.547	5.470	5.368	5.350
Disorders of the Immune Mechanism	5.693	5.547	5.470	5.368	5.350
Coagulation Defects and Other Specified Hematological Disorders	4.135	4.022	3.937	3.839	3.817
Drug Use with Psychotic Complications	2.239	2.101	1.978	1.833	1.799
Drug Use Disorder, Moderate/Severe, or Drug Use with Non-Psychotic Complications	2.239	2.101	1.978	1.833	1.799
Alcohol Use with Psychotic Complications	0.811	0.683	0.540	0.377	0.338
Alcohol Use Disorder, Moderate/Severe, or Alcohol Use with Specified Non-Psychotic Complications	0.811	0.683	0.540	0.377	0.338
Schizophrenia	3.875	3.617	3.437	3.224	3.185
Delusional and Other Specified Psychotic Disorders, Unspecified Psychosis	3.273	3.038	2.852	2.625	2.575
Major Depressive Disorder, Severe, and Bipolar Disorders	2.710	2.509	2.352	2.169	2.126
Personality Disorders	0.597	0.513	0.416	0.311	0.277
Anorexia/Bulimia Nervosa	2.132	1.994	1.886	1.751	1.717
Prader-Willi, Patau, Edwards, and Autosomal Deletion Syndromes	12.106	12.042	12.004	11.952	11.938
Down Syndrome, Fragile X, Other Chromosomal Anomalies, and Congenital Malformation Syndromes	0.799	0.693	0.601	0.491	0.463
Autistic Disorder	2.710	2.509	2.352	2.169	2.126
Pervasive Developmental Disorders, Except Autistic Disorder	0.597	0.513	0.416	0.321	0.297
Traumatic Complete Lesion Cervical Spinal Cord	10.342	10.139	10.066	9.954	9.944
Quadriplegia	10.342	10.139	10.066	9.954	9.944
Traumatic Complete Lesion Dorsal Spinal Cord	7.706	7.483	7.370	7.223	7.201
Paraplegia	7.706	7.483	7.370	7.223	7.201
Spinal Cord Disorders/Injuries	4.354	4.171	4.045	3.880	3.841
Amyotrophic Lateral Sclerosis and Other Anterior Horn Cell Disease	44.922	44.615	44.563	44.454	44.447
Quadriplegic Cerebral Palsy	1.301	1.125	1.017	0.881	0.861
Cerebral Palsy, Except Quadriplegic	0.394	0.278	0.202	0.113	0.091
Spina Bifida and Other Brain/Spinal/Nervous System Congenital Anomalies	1.403	1.295	1.208	1.102	1.078
Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy	11.196	11.067	11.035	10.986	10.988
Muscular Dystrophy	6.335	6.182	6.087	5.966	5.942
Multiple Sclerosis	7.535	7.183	7.067	6.898	6.885
Parkinson's, Huntington's, and Spinocerebellar Disease, and Other Neurodegenerative Disorders	6.335	6.182	6.087	5.966	5.942
Seizure Disorders and Convulsions	1.519	1.389	1.256	1.104	1.063
Hydrocephalus	11.643	11.592	11.599	11.603	11.602
Nontraumatic Coma, Except Diabetic, Hepatic, or Hypoglycemic; Nontraumatic Brain Compression/Anoxic Damage	11.490	11.480	11.484	11.487	11.485
Narcolepsy and Cataplexy	3.550	3.402	3.296	3.156	3.115
Respirator Dependence/Tracheostomy Status	26.852	26.609	26.531	26.418	26.408
Respiratory Arrest	15.129	14.889	14.754	14.581	14.559
Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes	15.129	14.889	14.754	14.581	14.559
Heart Assistive Device/Artificial Heart	15.155	15.082	15.015	14.930	14.907
Heart Transplant Status/Complications	15.155	15.082	15.015	14.930	14.907
Heart Failure	3.656	3.549	3.481	3.391	3.370
Acute Myocardial Infarction	0.225	0.196	0.157	0.107	0.088
Unstable Angina and Other Acute Ischemic Heart Disease	0.225	0.196	0.157	0.107	0.088
Heart Infection/Inflammation, Except Rheumatic	15.433	15.322	15.236	15.136	15.111
Hypoplastic Left Heart Syndrome and Other Severe Congenital Heart Disorders	3.711	3.564	3.444	3.307	3.273
Major Congenital Heart/Circulatory Disorders	0.962	0.862	0.757	0.652	0.624

TABLE 2—PROPOSED CHILD RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR—Continued

Factor	Platinum	Gold	Silver	Bronze	Catastrophic
Atrial and Ventricular Septal Defects, Patent Ductus Arteriosus, and Other Congenital Heart/Circulatory Disorders	0.525	0.439	0.352	0.268	0.248
Specified Heart Arrhythmias	3.136	2.983	2.882	2.759	2.732
Intracranial Hemorrhage	12.158	12.048	12.010	11.963	11.955
Ischemic or Unspecified Stroke	0.531	0.420	0.353	0.272	0.255
Cerebral Aneurysm and Arteriovenous Malformation	0.813	0.690	0.607	0.502	0.480
Hemiplegia/Hemiparesis	4.230	4.089	3.989	3.861	3.834
Monoplegia, Other Paralytic Syndromes	2.776	2.633	2.537	2.417	2.392
Atherosclerosis of the Extremities with Ulceration or Gangrene	10.094	9.865	9.741	9.588	9.568
Vascular Disease with Complications	12.595	12.449	12.389	12.300	12.286
Pulmonary Embolism and Deep Vein Thrombosis	19.285	19.147	19.070	18.968	18.947
Lung Transplant Status/Complications	15.155	15.082	15.015	14.930	14.907
Cystic Fibrosis	49.902	49.319	49.258	49.095	49.105
Chronic Obstructive Pulmonary Disease, Including Bronchiectasis	1.825	1.669	1.534	1.379	1.342
Severe Asthma	1.253	1.093	0.929	0.748	0.704
Asthma, Except Severe	0.323	0.248	0.165	0.092	0.072
Fibrosis of Lung and Other Lung Disorders	1.444	1.329	1.211	1.083	1.051
Aspiration and Specified Bacterial Pneumonias and Other Severe Lung Infections	11.365	11.349	11.403	11.462	11.475
Kidney Transplant Status/Complications	11.308	11.349	11.403	11.462	11.475
End Stage Renal Disease	23.942	23.682	23.657	23.578	23.576
Chronic Kidney Disease, Stage 5	2.630	2.522	2.430	2.344	2.325
Chronic Kidney Disease, Severe (Stage 4)	2.630	2.522	2.430	2.344	2.325
Ectopic and Molar Pregnancy	0.988	0.833	0.642	0.431	0.386
Miscarriage with Complications	0.526	0.409	0.233	0.036	0.005
Miscarriage with No or Minor Complications	0.526	0.409	0.233	0.036	0.005
Pregnancy with Delivery with Major Complications	3.019	2.757	2.391	1.934	1.805
Pregnancy with Delivery with Complications	3.019	2.757	2.391	1.934	1.805
Pregnancy with Delivery with No or Minor Complications	2.183	1.972	1.629	1.180	1.023
(Ongoing) Pregnancy without Delivery with Major Complications	0.513	0.378	0.189	0.011	0.000
(Ongoing) Pregnancy without Delivery with Complications	0.513	0.378	0.189	0.011	0.000
(Ongoing) Pregnancy without Delivery with No or Minor Complications	0.284	0.182	0.068	0.000	0.000
Chronic Ulcer of Skin, Except Pressure	2.113	2.020	1.939	1.855	1.833
Extensive Third Degree Burns	22.256	22.021	21.922	21.792	21.772
Major Skin Burn or Condition	2.590	2.420	2.281	2.120	2.083
Severe Head Injury	22.256	22.021	21.922	21.792	21.772
Hip and Pelvic Fractures	4.114	3.906	3.772	3.623	3.596
Vertebral Fractures without Spinal Cord Injury	4.144	3.952	3.811	3.639	3.600
Traumatic Amputations and Amputation Complications	3.694	3.520	3.372	3.192	3.147
Stem Cell, Including Bone Marrow, Transplant Status/Complications	15.155	15.082	15.015	14.930	14.907
Artificial Openings for Feeding or Elimination	4.495	4.323	4.257	4.161	4.151
Amputation Status, Upper Limb or Lower Limb	3.694	3.520	3.372	3.192	3.147

Interacted HCC Counts Factors

Severe illness, 1 payment HCC	-11.308	-11.349	-11.403	-11.462	-11.475
Severe illness, 2 payment HCCs	-11.308	-11.349	-11.403	-11.462	-11.475
Severe illness, 3 payment HCCs	-10.149	-10.211	-10.174	-10.162	-10.141
Severe illness, 4 payment HCCs	-9.055	-9.082	-8.919	-8.762	-8.697
Severe illness, 5 payment HCCs	-8.454	-8.416	-8.172	-7.938	-7.853
Severe illness, 6 or 7 payment HCCs	-4.190	-3.978	-3.561	-3.133	-3.003
Severe illness, 8 or more payment HCCs	18.133	18.860	19.604	20.422	20.625
Transplant severe illness, 4 or more payment HCCs	15.299	15.306	15.287	15.271	15.267

Affiliated Cost Factors

HIV Pre-Exposure Prophylaxis (PrEP)	2.089	2.042	1.984	1.923	1.905
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3. On page 6317, the table titled “TABLE 3: HHS HCCs Selected for the HCC Interacted Counts Variables for the Adult and Child Models for the 2027 Benefit Year” is corrected to read as follows:

TABLE 3—HHS HCCs SELECTED FOR THE HCC INTERACTED COUNTS VARIABLES FOR THE ADULT AND CHILD MODELS FOR THE 2027 BENEFIT YEAR

Payment HCC	Severity illness indicator	Transplant indicator
HCC 2 Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	X
HCC 3 Central Nervous System Infections, Except Viral Meningitis	X

TABLE 3—HHS HCCS SELECTED FOR THE HCC INTERACTED COUNTS VARIABLES FOR THE ADULT AND CHILD MODELS FOR THE 2027 BENEFIT YEAR—Continued

Payment HCC	Severity illness indicator	Transplant indicator
HCC 4 Viral or Unspecified Meningitis	X	
HCC 6 Opportunistic Infections	X	
HCC 23 Protein-Calorie Malnutrition	X	
HCC 34 Liver Transplant Status/Complications	X	X
HCC 41 Intestine Transplant Status/Complications	X	X
HCC 42 Peritonitis/Gastrointestinal Perforation/Necrotizing Enterocolitis	X	
HCC 96 Prader-Willi, Patau, Edwards, and Autosomal Deletion Syndromes	X	
HCC 121 Hydrocephalus	X	
HCC 122 Nontraumatic Coma, Except Diabetic, Hepatic, or Hypoglycemic; Nontraumatic Brain Compression/Anoxic Damage	X	
HCC 125 Respirator Dependence/Tracheostomy Status	X	
HCC 135 Heart Infection/Inflammation, Except Rheumatic	X	
HCC 145 Intracranial Hemorrhage	X	
HCC 156 Pulmonary Embolism and Deep Vein Thrombosis	X	
HCC 158 Lung Transplant Status/Complications	X	X
HCC 163 Aspiration and Specified Bacterial Pneumonias and Other Severe Lung Infections	X	
HCC 218 Extensive Third Degree Burns	X	
HCC 223 Severe Head Injury	X	
HCC 251 Stem Cell, Including Bone Marrow, Transplant Status/Complications	X	X
G13 (Includes HCC 126 Respiratory Arrest and HCC 127 Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes)	X	
G14 (Includes HCC 128 Heart Assistive Device/Artificial Heart and HCC 129 Heart Transplant Status/Complications)	X	X
G24 (Includes HCC 18 Pancreas Transplant Status and HCC 183 Kidney Transplant Status/Complications)	X	X

4. On page 6318, top half of the page, for the 2027 Benefit Year” is corrected the table titled “TABLE 4: Proposed Infant Risk Adjustment Model Factors to read as follows:

TABLE 4—PROPOSED INFANT RISK ADJUSTMENT MODEL FACTORS FOR THE 2027 BENEFIT YEAR

Group	Platinum	Gold	Silver	Bronze	Catastrophic
Extremely Immature * Severity Level 5 (Highest)	197.671	196.159	195.801	195.221	195.198
Extremely Immature * Severity Level 4	129.748	128.048	127.479	126.693	126.619
Extremely Immature * Severity Level 3	29.087	27.703	27.191	26.528	26.453
Extremely Immature * Severity Level 2	29.087	27.703	27.191	26.528	26.453
Extremely Immature * Severity Level 1 (Lowest)	29.087	27.703	27.191	26.528	26.453
Immature * Severity Level 5 (Highest)	123.452	121.973	121.649	121.124	121.107
Immature * Severity Level 4	67.497	65.845	65.420	64.760	64.712
Immature * Severity Level 3	29.087	27.703	27.191	26.528	26.453
Immature * Severity Level 2	22.383	21.155	20.619	19.967	19.876
Immature * Severity Level 1 (Lowest)	21.881	20.636	20.094	19.436	19.346
Premature/Multiples * Severity Level 5 (Highest)	107.440	105.978	105.584	105.002	104.960
Premature/Multiples * Severity Level 4	27.962	26.600	26.069	25.389	25.317
Premature/Multiples * Severity Level 3	12.192	11.287	10.647	9.906	9.741
Premature/Multiples * Severity Level 2	7.667	6.967	6.351	5.654	5.480
Premature/Multiples * Severity Level 1 (Lowest)	5.481	4.884	4.306	3.679	3.503
Term * Severity Level 5 (Highest)	80.094	78.884	78.453	77.860	77.791
Term * Severity Level 4	16.487	15.512	14.880	14.150	14.017
Term * Severity Level 3	5.490	4.920	4.339	3.704	3.528
Term * Severity Level 2	3.764	3.279	2.717	2.108	1.931
Term * Severity Level 1 (Lowest)	2.081	1.689	1.247	0.869	0.778
Age1 * Severity Level 5 (Highest)	69.546	68.851	68.623	68.313	68.286
Age1 * Severity Level 4	12.005	11.504	11.187	10.827	10.759
Age1 * Severity Level 3	2.842	2.580	2.365	2.151	2.097
Age1 * Severity Level 2	1.802	1.576	1.352	1.132	1.070
Age1 * Severity Level 1 (Lowest)	0.569	0.478	0.421	0.380	0.368
Age 0 Male	0.498	0.460	0.421	0.360	0.340
Age 1 Male	0.067	0.052	0.032	0.011	0.007

5. On page 6318, bottom half of the page, the table titled “TABLE 5: HHS HCCs Included in Infant Model Maturity Categories” is corrected to read as follows:

TABLE 5—HHS HCCs INCLUDED IN INFANT MODEL MATURITY CATEGORIES

Maturity category	HCC/description
Extremely Immature	Extremely Immature Newborns, Birth weight <500 Grams.
Extremely Immature	Extremely Immature Newborns, Including Birth weight 500–749 Grams.
Extremely Immature	Extremely Immature Newborns, Including Birth weight 750–999 Grams.
Immature	Premature Newborns, Including Birth weight 1000–1499 Grams.
Immature	Premature Newborns, Including Birth weight 1500–1999 Grams.
Premature/Multiples	Premature Newborns, Including Birth weight 2000–2499 Grams.
Premature/Multiples	Other Premature, Low Birth weight, Malnourished, or Multiple Birth Newborns.
Term	Term or Post-Term Singleton Newborn, Normal or High Birth weight.
Age 1	All age 1 infants.

6. On page 6319 through the top half of page 6321, the table titled “TABLE 6: HHS HCCs Included in Infant Model Severity Categories” is corrected to read as follows:

TABLE 6—HHS HCCs INCLUDED IN INFANT MODEL SEVERITY CATEGORIES

Severity category	HCC/description
Severity Level 5 (Highest)	Metastatic Cancer.
Severity Level 5	Pancreas Transplant Status.
Severity Level 5	Liver Transplant Status/Complications.
Severity Level 5	Intestine Transplant Status/Complications.
Severity Level 5	Peritonitis/Gastrointestinal Perforation/Necrotizing Enterocolitis.
Severity Level 5	Respirator Dependence/Tracheostomy Status.
Severity Level 5	Heart Assistive Device/Artificial Heart.
Severity Level 5	Heart Transplant Status/Complications.
Severity Level 5	Heart Failure.
Severity Level 5	Hypoplastic Left Heart Syndrome and Other Severe Congenital Heart Disorders.
Severity Level 5	Lung Transplant Status/Complications.
Severity Level 5	Kidney Transplant Status/Complications.
Severity Level 5	End Stage Renal Disease.
Severity Level 5	Stem Cell, Including Bone Marrow, Transplant Status/Complications.
Severity Level 4	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock.
Severity Level 4	Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid Leukemia.
Severity Level 4	Mucopolysaccharidosis.
Severity Level 4	Adrenal, Pituitary, and Other Significant Endocrine Disorders.
Severity Level 4	Acute Liver Failure/Disease, Including Neonatal Hepatitis.
Severity Level 4	Chronic Liver Failure/End-Stage Liver Disorders.
Severity Level 4	Major Congenital Anomalies of Diaphragm, Abdominal Wall, and Esophagus, Age <2.
Severity Level 4	Myelodysplastic Syndromes and Myelofibrosis.
Severity Level 4	Aplastic Anemia.
Severity Level 4	Combined and Other Severe Immunodeficiencies.
Severity Level 4	Traumatic Complete Lesion Cervical Spinal Cord.
Severity Level 4	Quadriplegia.
Severity Level 4	Amyotrophic Lateral Sclerosis and Other Anterior Horn Cell Disease.
Severity Level 4	Quadriplegic Cerebral Palsy.
Severity Level 4	Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy.
Severity Level 4	Nontraumatic Coma, Except Diabetic, Hepatic, or Hypoglycemic; Nontraumatic Brain Compression/Anoxic Damage.
Severity Level 4	Respiratory Arrest.
Severity Level 4	Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes.
Severity Level 4	Acute Myocardial Infarction.
Severity Level 4	Heart Infection/Inflammation, Except Rheumatic.
Severity Level 4	Major Congenital Heart/Circulatory Disorders.
Severity Level 4	Intracranial Hemorrhage.
Severity Level 4	Ischemic or Unspecified Stroke.
Severity Level 4	Vascular Disease with Complications.
Severity Level 4	Pulmonary Embolism and Deep Vein Thrombosis.
Severity Level 4	Aspiration and Specified Bacterial Pneumonias and Other Severe Lung Infections.
Severity Level 4	Chronic Kidney Disease, Stage 5.
Severity Level 4	Artificial Openings for Feeding or Elimination.
Severity Level 3	HIV/AIDS.
Severity Level 3	Central Nervous System Infections, Except Viral Meningitis.
Severity Level 3	Opportunistic Infections.
Severity Level 3	Non-Hodgkin Lymphomas and Other Cancers and Tumors.
Severity Level 3	Colorectal, Breast (Age <50), Kidney, and Other Cancers.
Severity Level 3	Breast (Age 50+) and Prostate Cancer, Benign/Uncertain Brain Tumors, and Other Cancers and Tumors.
Severity Level 3	Lipidoses and Glycogenosis.
Severity Level 3	Intestinal Obstruction.
Severity Level 3	Necrotizing Fasciitis.
Severity Level 3	Bone/Joint/Muscle Infections/Necrosis.

TABLE 6—HHS HCCs INCLUDED IN INFANT MODEL SEVERITY CATEGORIES—Continued

Severity category	HCC/description
Severity Level 3	Osteogenesis Imperfecta and Other Osteodystrophies.
Severity Level 3	Cleft Lip/Cleft Palate.
Severity Level 3	Hemophilia.
Severity Level 3	Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero.
Severity Level 3	Disorders of the Immune Mechanism.
Severity Level 3	Coagulation Defects and Other Specified Hematological Disorders.
Severity Level 3	Drug Use with Psychotic Complications.
Severity Level 3	Drug Use Disorder, Moderate/Severe, or Drug Use with Non-Psychotic Complications.
Severity Level 3	Alcohol Use with Psychotic Complications.
Severity Level 3	Alcohol Use Disorder, Moderate/Severe, or Alcohol Use with Specified Non-Psychotic Complications.
Severity Level 3	Prader-Willi, Patau, Edwards, and Autosomal Deletion Syndromes.
Severity Level 3	Traumatic Complete Lesion Dorsal Spinal Cord.
Severity Level 3	Paraplegia.
Severity Level 3	Spinal Cord Disorders/Injuries.
Severity Level 3	Cerebral Palsy, Except Quadriplegic.
Severity Level 3	Spina Bifida and Other Brain/Spinal/Nervous System Congenital Anomalies.
Severity Level 3	Muscular Dystrophy.
Severity Level 3	Parkinson's, Huntington's, and Spinocerebellar Disease, and Other Neurodegenerative Disorders.
Severity Level 3	Hydrocephalus.
Severity Level 3	Unstable Angina and Other Acute Ischemic Heart Disease.
Severity Level 3	Atrial and Ventricular Septal Defects, Patent Ductus Arteriosus, and Other Congenital Heart/Circulatory Disorders.
Severity Level 3	Specified Heart Arrhythmias.
Severity Level 3	Cerebral Aneurysm and Arteriovenous Malformation.
Severity Level 3	Hemiplegia/Hemiparesis.
Severity Level 3	Cystic Fibrosis.
Severity Level 3	Extensive Third Degree Burns.
Severity Level 3	Severe Head Injury.
Severity Level 3	Hip and Pelvic Fractures.
Severity Level 3	Vertebral Fractures without Spinal Cord Injury.
Severity Level 2	Viral or Unspecified Meningitis.
Severity Level 2	Thyroid Cancer, Melanoma, Neurofibromatosis, and Other Cancers and Tumors.
Severity Level 2	Diabetes with Acute Complications.
Severity Level 2	Diabetes with Chronic Complications.
Severity Level 2	Diabetes without Complication.
Severity Level 2	Protein-Calorie Malnutrition.
Severity Level 2	Congenital Metabolic Disorders, Not Elsewhere Classified.
Severity Level 2	Amyloidosis, Porphyria, and Other Metabolic Disorders.
Severity Level 2	Cirrhosis of Liver.
Severity Level 2	Chronic Pancreatitis.
Severity Level 2	Acute Pancreatitis.
Severity Level 2	Inflammatory Bowel Disease.
Severity Level 2	Rheumatoid Arthritis and Specified Autoimmune Disorders.
Severity Level 2	Systemic Lupus Erythematosus and Other Autoimmune Disorders.
Severity Level 2	Congenital/Developmental Skeletal and Connective Tissue Disorders.
Severity Level 2	Acquired Hemolytic Anemia, Including Hemolytic Disease of Newborn.
Severity Level 2	Sickle-Cell Disorders, Except Sickle-Cell Anemia (Hb-SS) and Thalassemia Beta Zero; Beta Thalassemia Major.
Severity Level 2	Down Syndrome, Fragile X, Other Chromosomal Anomalies, and Congenital Malformation Syndromes.
Severity Level 2	Seizure Disorders and Convulsions.
Severity Level 2	Monoplegia, Other Paralytic Syndromes.
Severity Level 2	Atherosclerosis of the Extremities with Ulceration or Gangrene.
Severity Level 2	Chronic Obstructive Pulmonary Disease, Including Bronchiectasis.
Severity Level 2	Severe Asthma.
Severity Level 2	Fibrosis of Lung and Other Lung Disorders.
Severity Level 2	Chronic Kidney Disease, Severe (Stage 4).
Severity Level 2	Chronic Ulcer of Skin, Except Pressure.
Severity Level 2	Major Skin Burn or Condition.
Severity Level 1 (Lowest) ..	Chronic Viral Hepatitis C.
Severity Level 1	Chronic Hepatitis, Except Chronic Viral Hepatitis C.
Severity Level 1	Autistic Disorder.
Severity Level 1	Pervasive Developmental Disorders, Except Autistic Disorder.
Severity Level 1	Multiple Sclerosis.
Severity Level 1	Asthma, Except Severe.
Severity Level 1	Traumatic Amputations and Amputation Complications.
Severity Level 1	Amputation Status, Upper Limb or Lower Limb.

7. On page 6321, bottom half of the page, the table titled "TABLE 7: R-Squared Statistics for Proposed 2027

Benefit Year HHS Risk Adjustment Models" is corrected to read as follows:

TABLE 7—R-SQUARED STATISTICS FOR PROPOSED 2027 BENEFIT YEAR HHS RISK ADJUSTMENT MODELS

Model	BY2021 Enrollee-level EDGE data	BY2022 Enrollee-level EDGE data	BY2023 Enrollee-level EDGE data
Platinum Adult	0.4213	0.4094	0.4152
Gold Adult	0.4154	0.4032	0.4089
Silver Adult	0.4122	0.3996	0.4048
Bronze Adult	0.4077	0.3948	0.3996
Catastrophic Adult	0.4068	0.3937	0.3982
Platinum Child	0.3569	0.3639	0.3412
Gold Child	0.3540	0.3612	0.3381
Silver Child	0.3516	0.3588	0.3357
Bronze Child	0.3484	0.3555	0.3324
Catastrophic Child	0.3474	0.3545	0.3314
Platinum Infant	0.3099	0.2883	0.2727
Gold Infant	0.3062	0.2847	0.2687
Silver Infant	0.3044	0.2827	0.2667
Bronze Infant	0.3019	0.2802	0.2640
Catastrophic Infant	0.3014	0.2797	0.2635

Liesl I. Fowler,

Executive Secretary to the Department,
Department of Health and Human Services.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

45 CFR Part 1355

RIN 0970-AD19

Designated Placement Requirements Under Titles IV-E and IV-B for LGBTQI+ Children; Rescission

AGENCY: Children's Bureau (CB), Administration on Children, Youth and Families (ACYF), Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

ACTION: Notice of proposed rulemaking.

SUMMARY: The Administration for Children and Families (ACF) proposes to remove the requirements issued in the final rule *Designated Placement Requirements Under Titles IV-E and IV-B for LGBTQI+ Children* (89 FR 34818) that was published on April 30, 2024. The final rule required title IV-E/IV-B agencies to ensure that a Designated Placement is available for all children who self-identify with an alternative sexual orientation or self-identify as something other than their sex in foster care who request or would benefit from such a placement. On June 13, 2025, the U.S. District Court for the Eastern District of Texas vacated the final rule in its entirety, *State of Texas v. United States Department of Health & Human Services*, 770 F. Supp. 3d 940 (E.D. Tex. 2025), concluding that the final rule exceeded the Department of Health and Human Services' statutory authority and

conflicted with the text of title IV-E. As a result of the court's decision, the final rule is no longer in effect or enforceable, and to ensure clarity for the public and regulated entities, ACF proposes to remove the provisions from the Code of Federal Regulations.

DATES: Comments on this proposed rule must be received by April 6, 2026.

ADDRESSES: You may submit written comments, identified by docket number ACF-XXXX-XXXX and/or Regulatory Information Number (RIN) 0970-AD19, through the Federal eRulemaking Portal: <https://www.regulations.gov> on or before the due date. Follow the instructions for submitting comments. All comments received will be posted without change to www.regulations.gov, including any personal information provided.

FOR FURTHER INFORMATION CONTACT: Jennifer Haight, Children's Bureau, 202-329-6464, Administration for Children and Families, Department of Health and Human Services, cbcomments@acf.hhs.gov.

SUPPLEMENTARY INFORMATION:

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- I. Statutory Authority
- II. Background
- III. Purpose of Proposed Rule
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- V. Tribal Consultation Statement

I. Statutory Authority

This Notice of Proposed Rulemaking (NPRM) is published under the authority granted to the Secretary of HHS (the Secretary) by Section 1102 of the Social Security Act (the Act), 42 U.S.C. 1302, which authorizes the Secretary to publish regulations, not inconsistent with the Act, as may be necessary for the efficient

administration of the functions entrusted to the Secretary under the Act.

II. Background

Designated Placements Final Rule

The Administration for Children and Families (ACF) proposes to remove the requirements issued in the final rule *Designated Placement Requirements Under Titles IV-E and IV-B for LGBTQI+ Children* that was published on April 30, 2024 (89 FR 34818) (final rule). The final rule added § 1355.22 to 45 CFR part 1355, requiring State and Tribal agencies administering or supervising the administration of title IV-E and IV-B of the Social Security Act ("agencies") to ensure that a Designated Placement is available for all children who self-identify with an alternative sexual orientation or self-identify as something other than their sex in foster care who request or would benefit from such a placement. It established procedural steps for title IV-E/IV-B agencies to implement Designated Placements and added requirements for foster care providers of these placements. The final rule also amended § 1355.34(c)(2)(i) requiring agencies to monitor compliance with Designated Placement requirements through the Child and Family Services Reviews (CFSR).

Legal Challenge and Current Status

State of Texas v. United States Department of Health & Human Services, 770 F. Supp. 3d 940 (E.D. Tex. 2025)

On September 24, 2024, the State of Texas Attorney General's Office filed a lawsuit against HHS alleging the final rule:

- Exceeds HHS's statutory authority,
- Violates the Spending Clause, and
- Is arbitrary and capricious.