BD+A

Documentation & Coding

▲ **Endorsed Business Partner**
of the Indiana Hospital Association

HCC Risk Adjustment:
What is it and how can BDA assist?

What is HCC Risk Adjustment

- CMS is shifting the traditional **volume-based fee-for service** payment model towards **value-based** payment models.

- These new models require a risk-adjustment methodology.

Outpatient Fee for Service	Risk Adjustment
• Providers are paid based on services performed. • Payment is based on CPT code accuracy. • Critical that documentation supports the level of service and procedures performed. • ICD-10-CM codes are normally reported only to support the medical necessity of the service provided.	• Concentrates on patient's current conditions. • Payment is based on the overall complexity of the patient's conditions over a year's period. • Uses patient demographics and diagnosis codes to establish payment.

What is Risk Adjustment?

- A process that CMS uses to reimburse Medicare Advantage plans based on the health status of members. (Hierarchical Condition Category or HCC)

- Typically uses a patient's <u>demographic data</u> and <u>diagnosis codes</u> to determine a risk score for the patient.

<u>Diagnoses and demographics are driving the payment</u>

What is Risk Adjustment?(cont'd)

- Allows payment to be risk adjusted based on <u>patient complexity</u>.

- Uses a patient's documented <u>12-month diagnostic coding history and demographics</u> to <u>predict future</u> financial utilization and risk.

- <u>Creates a RAF score</u> that reflects the patient's complexity.

- This score is then multiplied by a <u>base rate</u> to determine payment.

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How Is BDA Assisting?
HCC ReClaim™

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Running Reports That Identify...

✓ Specialty Risk Scores   ✓ Target Patients that require attention

✓ Target Provider HCC Scores   (Just a click away)

HCC Risk Adjustment Education Tool for BDA

Table 1: Specialty Drill Down
Jan 2018 – Dec 2018

Grouping	Classification	Specialization	Risk Score
Allopathic & Osteopathic Physicians	Emergency Medicine		0.538692307692308
Allopathic & Osteopathic Physicians	Family Medicine		0.844746165644176
Allopathic & Osteopathic Physicians	Family Medicine	Sports Medicine	0.648387755102041
Allopathic & Osteopathic Physicians	Internal Medicine		0.882386503067485
Allopathic & Osteopathic Physicians	Internal Medicine	Endocrinology, Diabetes & Metabolism	0.925461538461539
Allopathic & Osteopathic Physicians	Internal Medicine	Nephrology	1.30394285714286
Allopathic & Osteopathic Physicians	Internal Medicine	Pulmonary Disease	0.941081081081081
Allopathic & Osteopathic Physicians	Obstetrics & Gynecology		0.624733333333333
Allopathic & Osteopathic Physicians	Pediatrics		1.084625
Allopathic & Osteopathic Physicians	Psychiatry & Neurology	Neurology	0.981248175182482
Nursing Service Providers	Registered Nurse		1.05036111111111
Physician Assistants & Advanced Practice Nursing Providers	Nurse Practitioner		0.487
Physician Assistants & Advanced Practice Nursing Providers	Nurse Practitioner	Adult Health	0.715461538461538

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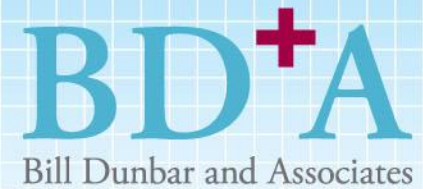
Target Providers...

✓ Below Threshold of 1

	A	B	C	D
1	Provider Drill-down			
2				
3	NPI	Provider_Last_Name	Provider_First_Name	Risk_Score
4	XXXXXXXXXX	A		0.767724
5	XXXXXXXXXX	B		0.948114
6	XXXXXXXXXX	C		0.850086
7	XXXXXXXXXX	E		0.770681
8	XXXXXXXXXX	F		1.631595
9	XXXXXXXXXX	G		0.697459
10	XXXXXXXXXX	H		0.494
11	XXXXXXXXXX	I		0.836524
12	XXXXXXXXXX	J		1.305
13	XXXXXXXXXX	K		0.880633
14	XXXXXXXXXX	L		0.915144

Target Patients...

Negative or Low Scores

✓ Missing HCC's to Date

	A	B	C	D	E	F	G
1	Patient Registry						
2							
3	Patient_ID	Patient Name	No Claims	Current_Risk_Score	Max_Historical Risk_Score	Difference	Missing_HCCs_to_Date
4	XXXXXXXXXA	A		2.19378	1.532	-0.66178	(85) Congestive Heart Failure
5	XXXXXXXXXA	B		0.545045	0.638	0.092955	
6	XXXXXXXXXA	C		0.437056	0.509	0.071944	
7	XXXXXXXXXA	D		2.49649	2.661	0.16451	(161) Chronic Ulcer of Skin, Except Pressure
8	XXXXXXXXXA	E		0	0.494	0.494	
9	XXXXXXXXXA	G	X	0.379235	0.655	0.275765	

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Why Does It Matter?

Education and Tools:

- ✓ For Medicare Advantage plans, higher risk scores translate into higher PMPM payments

- ✓ Lower risk scores translate into lower PMPM payments.

- ✓ MA programs may suffer financial losses if their HCC scores underestimate the degree of illness within their beneficiary population.

How Is BDA Assisting?

Education and Tools:

- ✓ Action Plan and Timeline is Determined
- ✓ Chart Reviews Occur
- ✓ One-on-One Provider Education
- ✓ BDA Coding Advisors
- ✓ MyDiVO
- ✓ Continued Education Through Electronic Education

Impact Of BDA's Program

Begin With:

- ✓ A Complimentary Preliminary Analysis
- ✓ Meet to discuss results
- ✓ BDA simply needs 1 year's worth of CCLF Data from their ACO.
- ✓ Data is then transferred via a secure FTP site (sFTP).

Once Engaged:

- ✓ BDA looks for Appropriate Documentation
- ✓ BDA looks for Appropriate Coding
- ✓ Education occurs one-on-one
  - ✓ Care will improve
  - ✓ Reimbursement will improve
- ✓ Analytical Reports addressing the omission of HCCs
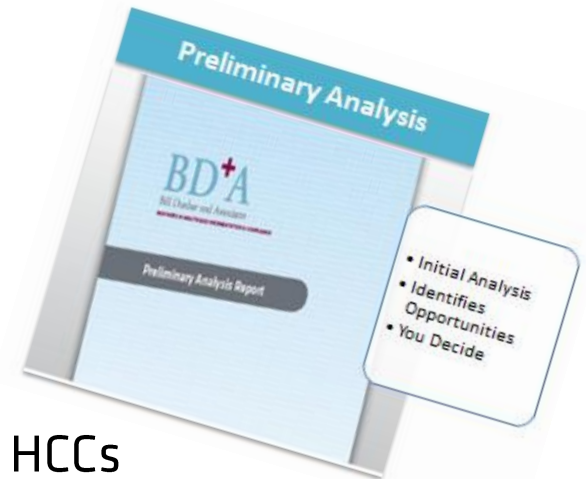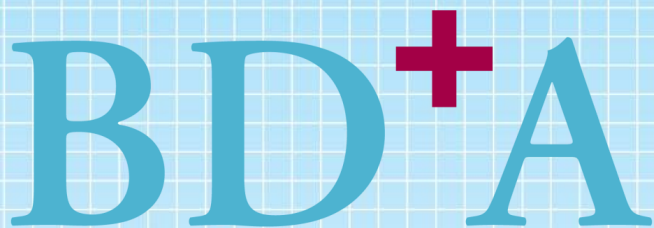
Questions?

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