

BD+A

HCC ReClaim™

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

CMS HCC Risk Adjustment The Impact of Documentation and ICD-10-CM Coding

Whitepaper | 2022



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HCC ReClaim™ is Designed to Diagnose HCC Risk Acuity Through...

- ◆ Useful analytics that target HCCs on multiple levels.
- ◆ Customized reports that precisely identify groups/providers/patients with:
 - * Low RAF scores, Missing HCCs that have been reported historically, HCCs reported incorrectly, and Trends in HCC capture and recapture.
- ◆ **Interpreted Actionable Reports** that identify targeted areas for education and training.
- ◆ Potential gaps in care.
- ◆ Maximum financial impact calculations of HCCs not recaptured.

Benefits of HCC ReClaim™ Training...

- ◆ Provide documentation and ICD-10-CM training/education for an organization's providers, coding professionals and other staff to include:
 - * Identified problem trends in HCC capture, High % of missing HCCs, and Low RAF scores.
- ◆ BDA Coding Advisors to assist with documentation and ICD-10-CM coding.
- ◆ BDA HCC Newsletters

Results of HCC ReClaim™ Tracking Success...

- ◆ Accurate ICD-10-CM coding to ensure:
 - * Accurate HCC capture and accurate RAF scores.
 - * Documentation that supports coded/reported HCCs.
 - * Customized reports tailored to your organization's needs.

Who We Are:



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Bill Dunbar and Associates LLC (BDA) provides revenue management consulting services with an emphasis on compliance, documentation, coding and reimbursement. We have successfully improved the financial performance of hospitals, physicians and providers through increased medical documentation and coding accuracy since 1988.

Our success is based on partnering with our clients to create a culture that is committed to an effective Outpatient Clinical Documentation Improvement (Outpatient CDI) program.

Understanding the Differences in Payment Models...

The Shift...

There has been a real movement of growth across the country where payment methodologies are shifting from fee-for-service volume-based care to value-based care.

CMS statistics shows that in 2021, 42% of all Medicare beneficiaries were enrolled in a Medicare Advantage plan. That is a total enrollment of 26.4 million people. It is projected to reach over 50% of Medicare enrollment by 2030.

Medicare Advantage (MA) plans use the hierarchical conditions category model which is commonly referred to as the CMS HCC Risk Adjustment model. This model calculates patient risk adjustment factor (RAF) scores to predict the cost of care for a beneficiary. The RAF scores are then used to determine payment. This is why it is critical to understand risk adjustment and HCCs.

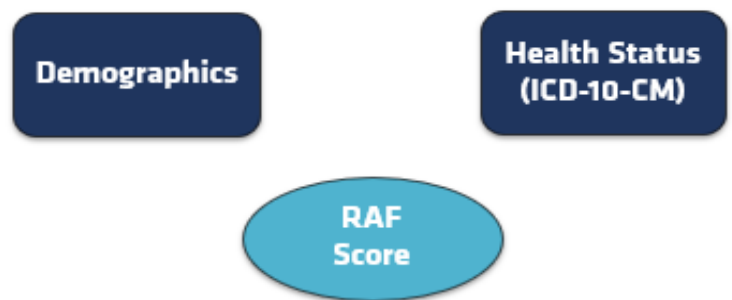
The process that CMS uses to reimburse Medicare Advantage plans...

CMS HCC risk adjustment is defined as a process that CMS uses to reimburse MA plans based on some specific patient demographic factors, as well as the

patient's health status, which is based on the documented and coded and reported ICD-10-CM codes over a calendar year. This combined information is used to calculate a patient's RAF score.

The RAF score is a measure of the patient's relative risk and is used to predict future healthcare costs for the patient. It is a prospective model, meaning RAF scores for the current calendar year are used to determine payment for the following calendar year.

Each calendar year the RAF score is reset. All chronic conditions must be recaptured each calendar year.



Prospective Model

What Factors Contribute to a RAF Score?

The RAF Score...

Patients start out each calendar year with a demographic factor only score, as though they are a totally healthy individual. Any chronic conditions captured in previous years must be recaptured as well as any new conditions.

While we cannot have an impact on patient demographic factors that impact patient RAF scores, we can have an impact on the ICD-10-CM codes.

ICD-10-CM codes, supported by documentation, are coded by providers and/or coding professionals and are submitted to the Medicare Advantage plan. The ICD-10-CM code may map to a CMS HCC. Not all ICD-10-CM codes map to an HCC. There are approximately 10,000 ICD-10-CM codes that map to an HCC in the CMS HCC model.

HCCs are groupings of similar diagnoses. Each HCC is assigned a value. HCC values are cumulative, meaning they add up. The more HCCs that a patient has, the higher their RAF score will be. **There are currently 86 HCCs** in the CMS model.

There are also some **disease interactions**, based on the coded and reported ICD-10-CM codes, that add additional value to the patient's RAF score. Additional value is also added to a patient's RAF score when the patient has 4 or more HCCs.

This is why thorough and accurate provider documentation, as well as accurate ICD-10-CM code assignment, is critical for patients enrolled in Medicare Advantage plans. Thorough documentation is critical to ensure accurate ICD-10-CM coding.

If documentation is not thorough and specific, the ICD-10-CM codes cannot be coded and/or coded to the highest level of complexity/specificity.

Thorough and accurate provider documentation results in accurate ICD-10-CM coding and an accurate patient RAF score.



Result: Accurate RAF Scores Supported by Documentation

What does documentation look like?

Accurate patient RAF scores depend on the thorough documentation and accurate ICD-10-CM coding.

The following table is probably familiar to you. We have added a few items to illustrate the impact of documentation and ICD-10-CM coding on patient's RAF scores.

This example identifies a 76-year old female who is Medicaid eligible.

The column examples illustrate the impact on RAF scores based on thorough/accurate documentation and correct ICD-10-CM codes:

- ⇒ For all conditions
- ⇒ At the highest level of specificity
- ⇒ Each calendar year

Who's educating your providers, clinical staff, and coding professionals?

Demographics	HCC	No Conditions Coded	Some Conditions Coded	All Conditions Coded
76-Year-Old Female	-	0.451	0.451	0.451
Medicaid Eligible	-	0.142	0.142	0.142
DM without Complications	19	X	0.105	X
DM with Complications	18	X	X	X 0.302
Morbid Obesity	22	X	0.250	X 0.250
CHF	85	X	X	X 0.331
CKD Stage 3A	138	X	X	X 0.069
Disease Interactions	-	X	X	0.121 X
Multiple Payment HCC (4)	-	X	X	0.006 X
Total RAF Score	-	0.593	0.948	1.672

WHAT ARE YOU DOING TO DIAGNOSE, TRAIN, AND TRACK YOUR HCCs?

Healthcare organizations should monitor their value-based reimbursement programs.

That is what HCC ReClaim™ can do for you...

HCC ReClaim™ is designed to diagnose HCC Risk Acuity through useful analytics and actionable reports that precisely identify groups/providers/patients with:

- Low RAF scores
- Missing HCCs that have been reported historically
- HCCs reported incorrectly
- Trends in HCC capture and recapture.

The Benefits of HCC ReClaim™ Training:

- Results in thorough documentation and accurate ICD-10-CM coding to ensure accurate patient RAF scores.

The Results of HCC ReClaim™ Tracking Success:

- Accurate RAF scores supported by documentation.



Before you engage **BDA HCC ReClaim™**, we'll review your ***Hierarchical Condition Category (HCC)*** potential lost revenue opportunities — **free and at no obligation to you**. This service, called the BDA Preliminary Analysis, or Prelim, helps to identify your lost opportunities for HCC capture.

This analysis will contain potential growth opportunities related to your organization.

Contact BDA Today to get Started at info@billdunbar.com