HCC's and Providers: Get Paid For What You Do!

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Look to the Future of Healthcare

- ***It's hard to make predictions – Especially about the future.***

  Yogi Berra

- **Chronic Health Care Conditions** = **86%** of U.S. healthcare spend
- **10,000** Baby Boomers **turn 65 every day**
- We are moving from an era of **episodic** health care to **continuous engagement** with patients….

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Risk Based Reimbursement:

The Future of Healthcare Reimbursement

Will pay for the treatment of diseases, not for office visits and procedures	• 50% risk adjustment by 2015
Will promote quality care through value based reimbursement	• 75% value based payments by 2020
Will put primary care physicians back in the driver seat	• 85% of codes that drive the RAF score are generated by primary care providers

Health Care Transformation Task Force is an industry consortium that brings together patients, payers, providers and purchasers to align private and public sector efforts to clear the way for a sweeping transformation of the U.S. health care system. We are committed to rapid, measurable change, both for ourselves and our country. http://www.hcttf.org/

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The Transformation of Healthcare Depends on the Transformation of Payment for Healthcare

AETNA ◊ ANTHEM ◊ BLUE CROSS/BLUE SHIELD
CAMBIA ◊ KAISER PERMANENTE ◊ AAFP
ASCENSION HEALTH ◊ AGILON ◊ ALEDADE
ATRIUS HEALTH ◊ CHENMED ◊ CONCERTO HEALTH
CLEVELAND CLINIC ◊ DIGNITY HEALTH
ENCOMPASS HEALTH ◊ GEISINGER
PREMIER ◊ HRH CARE ◊ OSF HEALTHCARE
PARTNERS HEALTHCARE ◊ SCL HEALTH
SENTARA ◊ TRINITY HEALTH ◊ TUCSON MEDICAL CENTER

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Objectives

- **How do we capture HCC** (Hierarchical Condition Categories) complexity for <u>all</u> patients seen – and get reimbursed properly?
- **How does CMS Risk Adjustment, care management, quality reporting, and financial impact of HCC's affect Providers?**
- **How are the RAF** (Risk Adjustment Factor) **and HCCs used** to calculate CMS risk scores and reimbursement?
- **What are Provider picks to capture patient complexity accurately?**

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HCC's and Providers:
The Transformation of Payment for Healthcare

CMS Healthcare Reimbursement

- **CMS**: **Driving Value Based, Outcomes Driven, Risk / Cost Sharing reimbursement models - for all providers.**

- **Example:** Providers enrolled in CMS **Advanced Alternative Payment Model** reimbursement and participation in Accountable Care Organizations (ACOs) may achieve **annual 5%+- (2018 in 2020), 7%+- (2019 in 2021), and 9%+- (2020 in 2022) r**eimbursement adjustments.

Advanced Alternative Payment Models

At risk model 2020
offering
-5% reimbursement to +5% reimbursement changes to the PFS in 2020

+5 %

-5%

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Advanced Alternative Payment Models

At risk model 2021
offering
-7% reimbursement to +7% reimbursement changes to the PFS in 2021

+7 %

-7%

10

Advanced Alternative Payment Models

At risk model 2022
offering
-9% reimbursement to
+9% reimbursement
changes to the PFS in
2022

+9 %

-9%

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CMS Healthcare Reimbursement

- **CMS**: **Driving Value Based, Outcomes Driven, Risk / Cost Sharing reimbursement models - for all providers.**

- **Example:** Providers earning a **100% score** in the **CMS Merit-Based Incentive Payment System (MIPS)** for 2018 received a **1.68% increase** in the Medicare Physician Fee Schedule (PFS) in 2020. MIPS carries no downside risk, and little upside potential.

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Merit Based Improvement System (MIPS)

MIPS 2018 Score:

100%

MIPS 2020 Reimbursement:

+ 1.68%

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Hierarchical Coding Conditions (HCC's)

- **Codes that identify conditions and disease**
- **Disease Category Hierarchy in CMS HCC V23 (2019)**

Infection Blood Cerebrovascular Disease Complications Neoplasm Substance Abuse Vascular Transplant Diabetes Psychiatric Lung Metabolic Spinal Eye Amputation Liver Neurological Kidney Disease Interactions Gastrointestinal Arrest Skin Disability Status Musculoskeletal Heart Injury

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HCCs – Designed For Use By All Payers

CMS HCC:
Age 65+ population
Medicare Part C
Medicare Part D (Rx HCC)

HHS HCC:
All ages
For Commercial Insurers / Payers
Predicts Medical and Drug Spending per patient

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HCC's: Who uses it? Who does it?

Who uses it?

- Medicare Advantage
- Medicaid Plans
- Commercial Carriers
- ACOs
- Value Based Purchasing Programs
- MIPS and APMs

Who actually does it?

- **Providers** - ICD10 codes on claims
- **CMS** - runs HCC risk model 3 times a year to calculate beneficiary risk scores

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What are the Benefits of HCCs?

- **Improve care**
  - Better Direct Care Management
  - Targeted Interventions for patients

- **Improve performance on quality**
  - Adjust for patient acuity; ensure accurate diagnoses
- **Reduce administrative burden**: Avoid chart audits
- **Get paid for what you do**: Capture appropriate reimbursement

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How do we succeed in HCC capture?

- **Capture complexity**
  - **Add all ICD-10 codes that apply**
  - **Health conditions, history, risk, and complexity**
- ICD-10 codes determine Hierarchical Coding Conditions (HCC) codes
- HCC's factor into CMS calculations for payment.
- Complex patient = higher risk = higher cost of care = higher reimbursement
- If ICD-10 and HCC codes are properly assigned.

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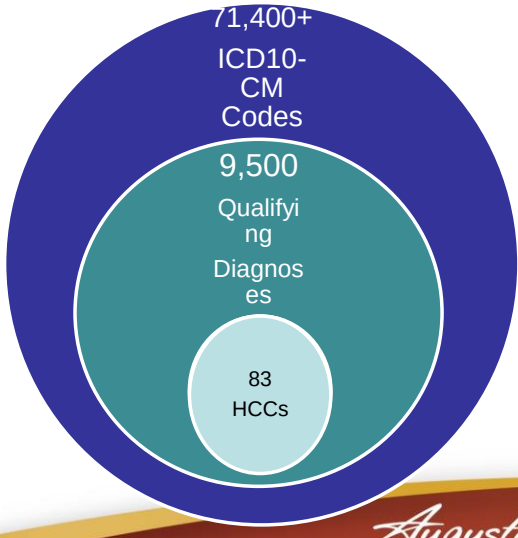
ICD-10 Codes to HCCs (CMS V23, 2019)

- **CMS HCC Grouping Logic**
- **71,400 ICD-10 diagnosis codes**, based on disease groups
- Map to one of **9,500 Qualifying Diagnoses**
- Diagnosis codes map to **one of 83 HCC's** which calculate **Risk Adjustment Factors (RAF's)**
- The **83 HCCs are weighted**, to reflect expected beneficiary expenditures



- 83 HCCs in model V23, 2019 subject to revision, regrouping, and deletion by CMS

HCC Coefficient Example

Each patient diagnosis receives a score, based on the HCC's assigned to the diagnosis.

A coefficient, or weight, is assigned each chronic diagnoses and each acute condition .

HCC Coefficient Example: Cancer

HCC	DIAGNOSIS	COEFFICIENT
HCC 8	METASTATIC CANCER, ACUTE LEUKEMIA	2.625
HCC 9	LUNG, SEVERE CANCER	0.970
HCC 10	LYMPHOMA, OTHER CANCER	0.677
HCC 11	COLORECTAL, BLADDER, OTHER CANCER	0.301
HCC 12	BREAST, PROSTRATE, OTHER TUMORS	0.146

Based on CMS HCC V22 (2018)

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HCC's are used for Risk Adjustment

RISK ADJUSTMENT Predicts future healthcare expenditures for individual patients – based on Demographics and Health Status and Conditions recorded as HCC's.

These predictions adjust payments up or down.

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Demographics and Health Status

Demographics:
Age and Gender
Disability Status
Original Reason for Entitlement
Interactions
Medicaid Status – Part C, Part D
Long Term Institutionalized (LTI)
Low Income Subsidy (LIS)

Health Status:
Diseases
Conditions

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Calculating the Risk Adjustment Factor

Risk Adjustment Factor (RAF)
= Sum of Demographic Factors
+ HCC Coefficients for each documented HCC

ESTABLISHED PLAN MEMBER:
RAF = DEMOGRAPHIC FACTOR + HCC1 + HCC2 + HCC3……

NEW PLAN MEMBER:
RAF = DEMOGRAPHIC FACTOR ONLY
Until patient is seen and HCC's are assigned

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RAF Severity Adjustment: Cancer

With Risk Adjustment, payment is based on the highest level of severity.
A patient diagnosed with **Lung Cancer (HCC 9)** receives coefficient **0.907**
The same patient diagnosed later with **Metastatic Cancer (HCC 8)** receives coefficient **2.625,** recognizing the added costs of increased severity.

HCC	DIAGNOSIS	COEFFICIENT
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Based on CMS HCC V22 (2018)

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RAF Severity Adjustment: Interactions

- **Disease Interactions** also increase the cost and burden of caring for patients with multiple complex conditions.
- These are accounted for with use of **additional coefficients** applied by CMS.
- Annually, HCC's reported to CMS are reviewed to determine if a patient qualifies for an additional coefficient, which also changes reimbursement per patient.

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Capturing Complexity Counts….

New Patient – no HCC's documented	
84 yo male	0.537
No diagnosis	
No diagnosis	
No diagnosis	
No diagnosis	
No diagnosis	
No Interaction	
No Interaction	
No Interaction	
Total RAF	0.537
PMPM Payment	$430
Annual Payment	$5155

Not documented to highest specificity	
84 yo male	0.537
RA (HCC 40)	0.423
Type II Diabetes (HCC 19)	0.104
No diagnosis	
No diagnosis	
No diagnosis	
No Interaction	
No Interaction	
No Interaction	
Total RAF	1.064
PMPM Payment	$851
Annual Payment	$10,214

Complete HCC Capture	
84 yo male	0.537
RA HCC 40	0.423
Type II Diabetes / CKD HCC 19	0.318
CKD Stage 5 HCC136	0.237
Chronic Diastolic CHF HCC 85	0.323
Chronic Afib HCC 96	0.268
Interaction CHF/CKD	0.271
Interaction CHF/Diabetes	0.154
Interaction CHF/Afib	0.105
Total RAF	2.636
PMPM Payment	$2,109
Annual Payment	$25,306

27 ILLUSTRATION, BASED ON FY 2017 $800 / MONTH BASE RATE, NON DUAL AGED BENEFICIARY

Why Patient Complexity Isn't Captured…

- **Diagnoses are not coded** to the **highest level of specificity**
- **Comorbidities** of the primary disease **are not documented**
- **Risk scores reset yearly**, and chronic conditions present on admission are **not consistently recaptured**

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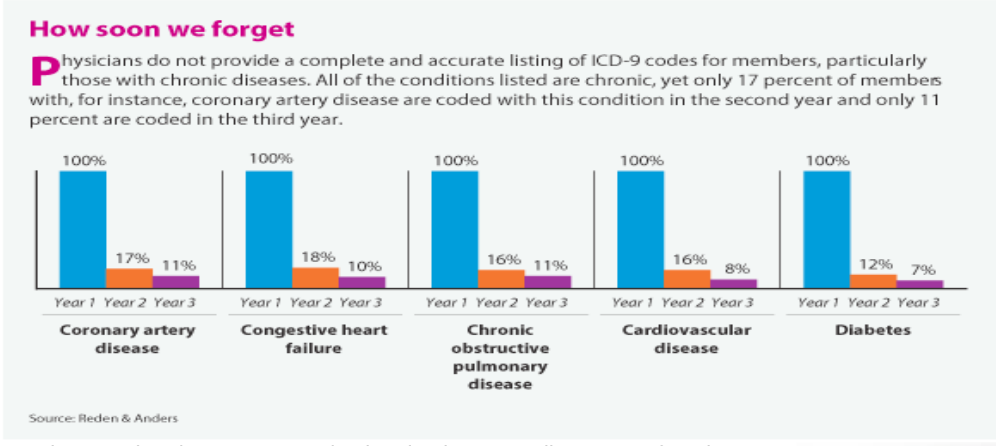
An old problem: Chronic disease capture



Reden & Anders (Optum 360 LLC), Chronic Disease Coding Drops After First Year in Medical Record, 2014

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Recapture is key

- Failure to recapture a chronic condition can result in the loss of thousands of dollars, per member, of a health plan.
- Example: In a plan with 30,000 members, 30% were diagnosed with Peripheral Vascular Disease (PVD) in 2015. The following year, only 25% of those diagnoses were re-captured. 5% were not. Cost to the plan:
- PVD HCC Payment = $2,556 PMPY
- 5% x 30,000 members = 1500 members
- $2,556 x 1500 = **$3,834,000**

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Health Status Matters….

- Above the Knee Amputation
- Below the Knee Amputation
- Toe Amputation(s)
- Colostomy
- Ileostomy
- Tracheostomy
- BMI and range
- Renal Dialysis Dependent / Status
- Non-Compliance with Dialysis
- Asymptomatic HIV status
- Transplant Status
  - Liver
  - Kidney
  - Bone Marrow

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HCC's and Providers:

Tools for Accurate HCC Capture

Remember: On 1/1, Every HCC Resets

The CMS MIRACLE CURE

December 31

January 1

CMS requires all diagnosis to be **submitted every year** they are present. All patients **must be seen** by a qualified provider and receive a comprehensive evaluation to identify and record diagnoses and HCC's!

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Remember: Face to Face is a Key CMS Guideline

https://www.cdc.gov/nchs/data/icd/10cmguidelines_fy2018_final.pdf

All diagnosis codes submitted must be documented in the medical records and must be documented as a result of a face-to-face visit.

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Remember: Take the Time…

CMS: "Physicians should document and code all conditions that co-exist at the time of the encounter / visit / admission that require or affect patient care management or treatment".

1. **Code all conditions**
2. **Exist at the time of the encounter or admission**
3. **Require or affect patient care, management or treatment**

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Guideline Specifics
CMS Guidance: Co-Existing Conditions

"Coexisting conditions include chronic, ongoing conditions such as:

- **Diabetes**
- **Atrial Fibrillation**
- **Congestive Heart Failure**
- **Chronic Obstructive Pulmonary Disease"**

"These diseases are generally managed by ongoing medication and have potential for acute exacerbations if not treated properly, particularly if the patient is experiencing other acute conditions. It is likely that these diagnoses would be part of a general overview of the patient's health when treating co-existing conditions for all but the most minor of medical encounters".

2008 Risk Adjustment Data Technical Assistance For Medicare Advantage Organizations Participant Guide 6.4.1 Co-existing and Related Conditions

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Guideline Specifics
Language is Important: History vs Active

"**History of**" is different for clinicians and coders

- ICD10 coding guidelines: **condition has resolved** and is now history
- For providers: condition may be in the past, or may be ongoing

Use these phrases to reflect a **current** condition:

- History of Present Illness: "Patient here for management of..."
- Assessment/Plan: "Compensated CHF" vs "h/o CHF"
  "Leukemia in remission" vs "h/o leukemia"

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Example: Recent Provider Notes

Assessment #3: Paroxysmal atrial fibrillation (I48.0)

- *"Has a past history of paroxysmal atrial fibrillation and sick sinus syndrome. Currently paced rhythm. He is on chronic warfarin anticoagulation and denies bleeding concerns except for a past history of mild epistaxis. INR is monitored through Dr. – office.*

Plan: EKG, complete

As compared to……

Assessment #4: Pacemaker (Z95.0)

- *"He is pacemaker dependent. Device appears to be functioning normally."*

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Different Languages…

Medical Note Says:	CMS Interpretation Is:
H/O CHF CHF compensated, continue Lasix	CHF has resolved CHF is active, but stable
History of Angina Stable Angina, continue Atenolol	Angina has resolved Angina stable, under active treatment
H/O Afib	Afib has resolved
Afib controlled on Digoxin	Afib is stable, on active treatment
Prostrate cancer s/p chemotherapy	History of prostrate cancer. Documentation does not report date chemotherapy completed.
Prostrate cancer, adjuvant Lupron injections Q3 month	Prostrate cancer active, under active treatment.
If ACTIVE – do not use H/O	**H/O means RESOLVED to CMS**

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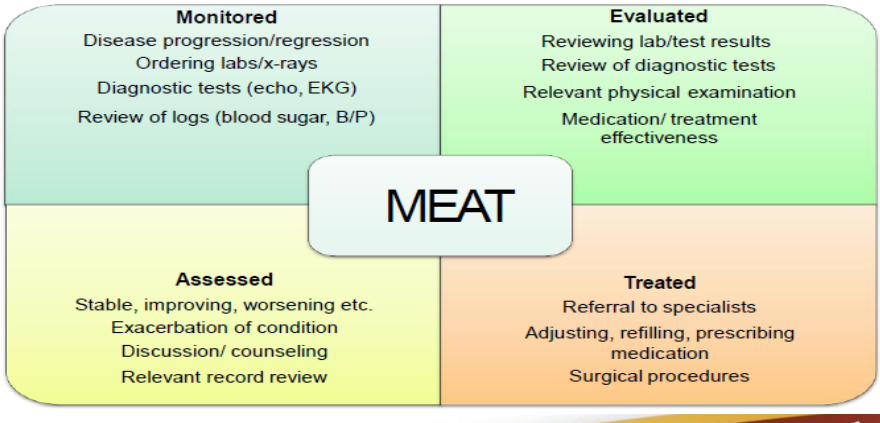
Remember the Documentation Basics…

Needed documentation: MEAT



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https://www.aapc.com/blog/41212-include-meat-in-your-risk-adjustment-documentation/

Frequently Missed Chronic Conditions

What's Missed?

Amputations
Multiple Sclerosis
Atherosclerosis of Aorta
Parkinson's Disease
Ectasia
Alcohol / Drug Dependency
COPD
Morbid Obesity, BMI 40
Organ Transplants
Congenital Diagnoses
Malnutrition
Compensated CHF
Chronic Psychiatric Diagnoses
Aneurysm
Ostomies – open

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Take the Opportunity: Annual Visits

AWVs or Comprehensive visit

- Capture diagnoses that would otherwise go uncaptured
- Close gaps in care
- Comprehensive review of problem and med list
- Personalized preventive care plan

Visits must be completed by a CMS approved provider to risk adjust

- MD
- DO
- NP
- PA
- Clinical Nurse specialist

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Tips for Closing Billing Gaps

Be aware of the limitations of your EMR & practice management system. How many dx codes does the system allow?

Make sure the data is captured on the claim.

Verify Clearinghouse or Submission Vendor can send and receive all recorded codes and that payer Health Plans can do the same.

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Conclusion:

Provider's Favorite Takeaways

Takeaways

- The slate is wiped clean every January 1st. All ongoing conditions must be addressed again each calendar year.
- An AWV and/or comprehensive visit at least once a year is important!
- Diagnoses must be documented during a face-to-face visit, according to ICD-10-CM Guidelines.
- Remember the impact of interactions, status codes on Risk Scores
- Avoid "h/o" - means "resolved" to CMS.

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Takeaways

- Symptoms vs. disease: Once a definitive diagnosis is made, code the disease instead of symptoms, and to the highest specificity.
- Code ALL active diagnoses or conditions you are managing: Use language like controlled, compensated, in remission, currently managed on…
- Remember MEAT documentation to support your code.
- Remember those commonly missed diagnosis codes for all patients with chronic diseases!

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Takeaways

- The goal is to create a **total picture** of the patient, across the continuum of care.
- Not just a primary care issue – **specialists** have a role and are impacted too.
- Specific, accurate documentation is the only way to ensure reimbursement for **more complex care, and sicker patients.**
- **HCC Coding is a team sport!**

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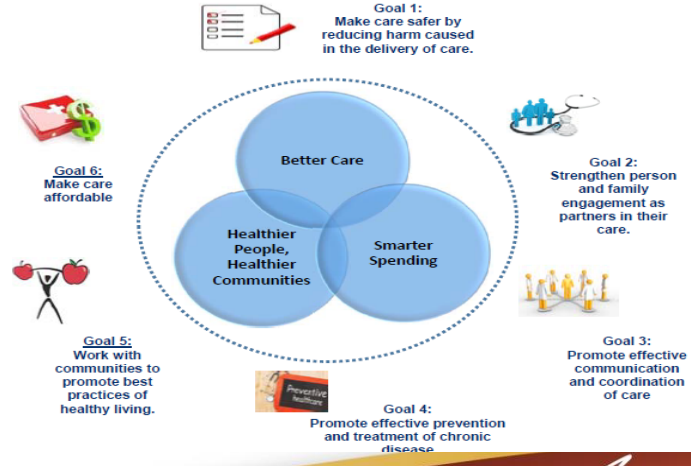
CMS: HCC Capture Aligns with Good Healthcare

Align Initiatives with the Practice of Medicine



Source: https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityInitiativesGenInfo/CMS-Quality-Strategy.html

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Questions?

Answers!

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Resources

AHA Coding Clinic
http://www.ahacentraloffice.org/

AAPC
https://www.aapc.com/

AHIMA
http://www.ahima.org/

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Resources

Quality Payment Program: Delivery system reform, Medicare Payment Reform and MACRA. The Merit-Based Incentive Payment System (MIPS) and Alternative Payment Models (APMs)

https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/MACRA-MIPS-and-APMs/MACRA-MIPS-and-APMs.html

Centers for Medicare & Medicaid Services (CMS) Health Insurance Marketplace Quality Initiatives website:

http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityInitiativesGenInfo/Health-Insurance-Marketplace-Quality-Initiatives.html

CMS Qualified Health Plan (QHP) Enrollee Experience Survey (QHP Enrollee Survey) website:

http://qhpcahps.cms.gov

National Committee for Quality Assurance (NCQA) Healthcare Effectiveness Data and Information Set (HEDIS®)1 Compliance AuditTM website:

http://www.ncqa.org/HEDISQualityMeasurement/CertifiedSurveyVendorsAuditorsSoftwareVendors/HEDISComplianceAuditProgram.aspx

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Resources

2008 Risk Adjustment Data Technical Assistance for Medicare Advantage Organizations Participant Guide

http://www.csscoperations.com/internet/archive/cssc3_archive.nsf/docsCat/CSSC~CSSC%20Operations~Risk%20Adjustment%20Processing%20System~Training?open&expand=1&navmenu=Risk^Adjustment^Processing^System|||

ICD-10-CM The Official Guidelines for Coding and Reporting

- www.cdc.gov/nchs/icd/icd10cm.htm

CMS News and Resources:

http://cms.gov/Medicare/Coding/ICD10/index.html?redirect=/ICD10

ICD-10 CME modules developed by CMS and Medscape:

http://www.cms.gov/Medicare/Coding/ICD10/Downloads/MedscapeModulesAvailableonICD10.pdf

CMS MLN Matters

http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html?redirect=/MLNMattersArticles

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- **Resources**

- **Reden & Anders (Optum 360 LLC), Chronic Disease Coding Drops After First Year in Medical Record,** https://cdn.optumcoding.com/upload/pdf/HCCA18/HCC18_eHCC18_2018%20%20Sample%20pages.pdf

- **CMS, Risk Adjustment Data Technical Assistance for Medicare Advantage Organizations Participant Guide**
- https://www.csscoperations.com/Internet/Cssc3.Nsf/files/participant-guide-publish_052909.pdf/$File/participant-guide-publish_052909.pdf

- **CMS, Risk Adjustment 101 Participant Guide – CSSC Operations**
- https://www.csscoperations.com/Internet/Cssc3.Nsf/files/2013_RA101ParticipantGuide_5CR_081513.pdf/$File/2013_RA101ParticipantGuide_5CR_081513.pdf

- **American Association of Procedural Coders (AAPC) Blog, Include MEAT In Your Risk Adjustment Documentation**
- https://www.aapc.com/blog/41212-include-meat-in-your-risk-adjustment-documentation/

Thank you!

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