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HCC Risk Adjustment – Documentation and ICD-10 CM Coding

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HCC ReClaim™

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Kathy Kuntz, CPC, CRC, CPCD
with Bill Dunbar & Associates
presented to the KHA Clinic Manager Forum...

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What is CMS HCC Risk Adjustment?

Recently Kathy Kuntz spoke to the KHA Clinic Forum Group on why HCC Risk Adjustment documentation matters to clinics. As reimbursement shifts from a fee for service model to a risk adjustment model, Medicare Advantage payment is based on the patient demographics, as well as overall conditions –which are coded and reported using ICD-10 CM codes.

CMS HCC Risk Adjustment is defined... Risk Adjustment is defined as a process that CMS uses to reimburse Medicare Advantage (MA) plans based on the health status of members. It is a prospective model which uses diagnostic information from the prior year to predict the costs for a beneficiary for the following year. It identifies individuals with serious or chronic illness using reported ICD10 codes and assigns them a Risk Adjustment Factor Score based on their disease burden, which also includes demographic factors. This is referred to as the Risk Adjustment Factor score , or a RAF score. The RAF is used to predict future healthcare costs for the patient. It is important to note that every calendar year the patients RAF score is re-set. Meaning all patients start out with no established diagnosis codes. It is critical to re-capture all historically captured diagnoses when applicable.

Some of the requirements that must be met to qualify for CMS HCC Risk Adjustment are...

- The services must be performed and reported by an acceptable provider type. There are some providers, for which their reported ICD-10 codes do not contribute to a patients risk score.
- The service must be have an acceptable CPT code. Diagnoses submitted with unacceptable CPT codes do not contribute to a patients risk score.
- There must be a face to face encounter with the patient during the calendar year
- The providers signature, credential, and date signed must be on the patients record.
- The documentation must clearly show the condition is current to support all ICD-10 codes reported.

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The diagnosis factors that contribute to a patients RAF score…

- All reported CMS HCC diagnosis codes for chronic and acute conditions over a calendar year.
- Disease interactions based on the diagnosis codes reported.
- Multiple reported HCC payment conditions, also referred to as the Alternative Payment Condition Count.

The ICD-10-CM diagnosis codes that are coded and reported over a calendar year contribute to a patient's RAF score. The coded and reported HCC diagnosis codes are then mapped to a hierarchical condition category referred to as an HCC. HCC's are groupings of clinically similar diagnoses. It is important to note that not all ICD10 codes are HCC. There are over 10,000 ICD 10 codes that map to a HCC.

How a RAF score is determined…

ICD-10 Diagnosis codes are submitted with claims. All reported ICD-10 HCC diagnosis codes are mapped to an HCC. Each **HCC** is assigned a **value.** The HCC's are cumulative. The more HCC's, the higher the patient's RAF score. The RAF is then used by CMS to determine the payment made to Medicare Advantage Plans. The higher the **RAF**, the more resources are projected to be needed to manage the patient's health. This results in higher payment.

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Documentation and coding for conditions that impact a patient's risk score…

HCC Risk Adjustment reimbursement depends on complete and accurate reporting of patient diagnoses. Thorough documentation and accurate ICD-10-CM code assignment is critical to predicting the risk and future cost associated with a patient's care.

To ensure maximum reimbursement and compliance, the submitted diagnoses and the plan of care related to the diagnoses must be documented in the patient's medical record and reported at least once every calendar year. Documentation in the medical record must support all diagnosis codes reported, including specificity and the documentation for each visit must stand alone.

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Our End-To-End Solution...

BDA's experienced coding and financial professionals have worked side-by-side with healthcare providers like you to improve documentation and capture of ICD codes, which in turn influences your Risk Adjustment Factor (RAF) score.

- ***We customize*** our tools and solutions to meet your needs.
- ***We simplify*** so you can adopt effective, consistent, and compliant processes.
- ***We educate*** by listening and explaining until you are comfortable in your understanding.
- ***We streamline*** processes by introducing best practices that will improve your revenue capture and grow compliance.

Your Prelim Report will be packed with valuable, customized data. We'll review these findings with you and offer our recommendations on ways to improve your bottom line.

- There is no cost or obligation for creating your Prelim Report.
- All results are kept confidential.
- The report is yours to keep even if you choose not to partner with us.

Ready to get started?

Please provide the requested information on the back of this document and return as directed.

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 at info@billdunbar.com

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