

Risk Adjustment

The Hierarchical Condition Category (HCC) risk adjustment model, used by Centers for Medicare and Medicaid Services (CMS) for Part C members, predicts a payer's expected healthcare costs. Each member's risk score, a numeric value based on demographics and diagnoses (HCCs), indicates anticipated expenditures; higher scores reflect higher costs. This prevents health plans from solely insuring healthy individuals by considering Medicare Advantage members' health status and risk factors. All member risk scores reset annually on January 1st.

Capturing disease severity through ongoing chronic condition documentation and annual validation is crucial for accurate risk scores. Benefits of risk adjustment include reduced monthly premiums, increased eligibility for additional benefits (like Highmark clinical programs for chronic conditions such as CHF, COPD, Diabetes), a complete health picture via accurate medical charting and coding, enhanced quality of care with accurate diagnosis identification and monitoring for better outcomes, and accurate funding for patient care.

Best Documentation Practices

- ✓ **Annually assess** chronic conditions and document individual plans
- ✓ **Code and document all coexisting conditions** affecting patient care
- ✓ **Link medications** to ongoing treatment, especially for multi-condition use
- ✓ **Avoid using the past medical history or problem list alone to support** an active condition
- ✓ **Use "History of"** for resolved conditions
- ✓ **Utilize the highest specificity** for ICD-10 coding
- ✓ **Validate** patient reported findings
- ✓ **Maintain problem list** by removing acute and resolved conditions

M.E.A.T. the Condition

Proper documentation requires at least one of these four elements be present in the documentation for each condition



How is the patient doing?

Document signs, symptoms, disease progression/regression or ongoing surveillance



What is the current state of the condition?

Document current state, test results, medication effectiveness or response to treatment



How will the condition be evaluated?

Document discussion, review of records, counseling, or ordering further tests



What is being done to help the condition?

Document care, prescribed medications, referral to specialist or other modalities

CMS requires **annual coding and reporting of all chronic conditions**. A condition is not considered present in a given year unless it is appropriately documented and coded in that year.

ICD-10 Code Reference Guide

This list of ICD-10 codes (containing incomplete codes) is not exhaustive. Refer to the current version of the ICD-10-CM Official Guidelines for Coding and Reporting, the ICD-10-CM Index to Diseases and Injuries, and the Tabular List of Diseases for a list of all ICD-10-CM codes and coding instructions. Copies of the Risk Adjustment models can be found at www.cms.gov/medicare/payment/medicare-advantage-rates-statistics/risk-adjustment.

Common HCCs

D86	Sarcoidosis	I47	Supraventricular tachycardia
E08 - E13	Diabetes mellitus	I48	Atrial fibrillation and flutter
E66	Overweight and obesity	I50	Heart failure
F01 - F03	Dementia	J41 - J42	Chronic bronchitis
F32 - F33	Major depressive disorder	J43	Emphysema
G20	Parkinson's disease	J44	Other chronic obstructive pulmonary disease
G30	Alzheimer's disease	J47	Bronchiectasis
G40	Epilepsy and recurrent seizures	J60 - J70	Lung diseases due to external agents
G91	Hydrocephalus	J84	Other interstitial pulmonary diseases
H34	Retinal vascular occlusions	M05-M06	Rheumatoid arthritis
H43	Disorders of vitreous body	M08	Juvenile arthritis
H35	Other retinal disorders	M34	Systemic sclerosis [scleroderma]
I27	Other pulmonary heart diseases	M45	Ankylosing spondylitis
I42	Cardiomyopathy	N18	Chronic kidney disease

Coding Example

Documentation

HPI: 63 y/o male with known diabetes and kidney disease. Here for AWV. Diabetes well controlled.

Assessment & Plan: T2DM with CKD3a – Labs A1c 7.2, GFR 50. Rx Metformin and Losartan.

ICD-10 Code(s)

E11.22 Type 2 diabetes mellitus with chronic kidney disease; N18.31 Chronic Kidney Disease, stage 3a

Rationale

The HPI indicates the presence of diabetes and kidney disease. The assessment further specifies the diabetes by type, the associated CKD as stage 3a and medications are linked for treatment.

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NOTE: This tool is intended to assist with documentation only and not intended to take the place of clinical analysis. Information regarding any law or regulation does not constitute legal or tax advice and is subject to change based upon the issuance of new guidance and/or change in laws or regulations. Reference Official ICD-10-CM coding guidelines and manuals or electronic medical coding software for accurate ICD-10-CM codes and specificity.

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