

PRESENTED BY HIGHMARK RISK ADJUSTMENT ACCURACY MANAGEMENT

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# Risk Adjustment Overview

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# Agenda

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1. What is Risk Adjustment?
2. Documentation Considerations
3. Documentation Examples
3. Additional Resources

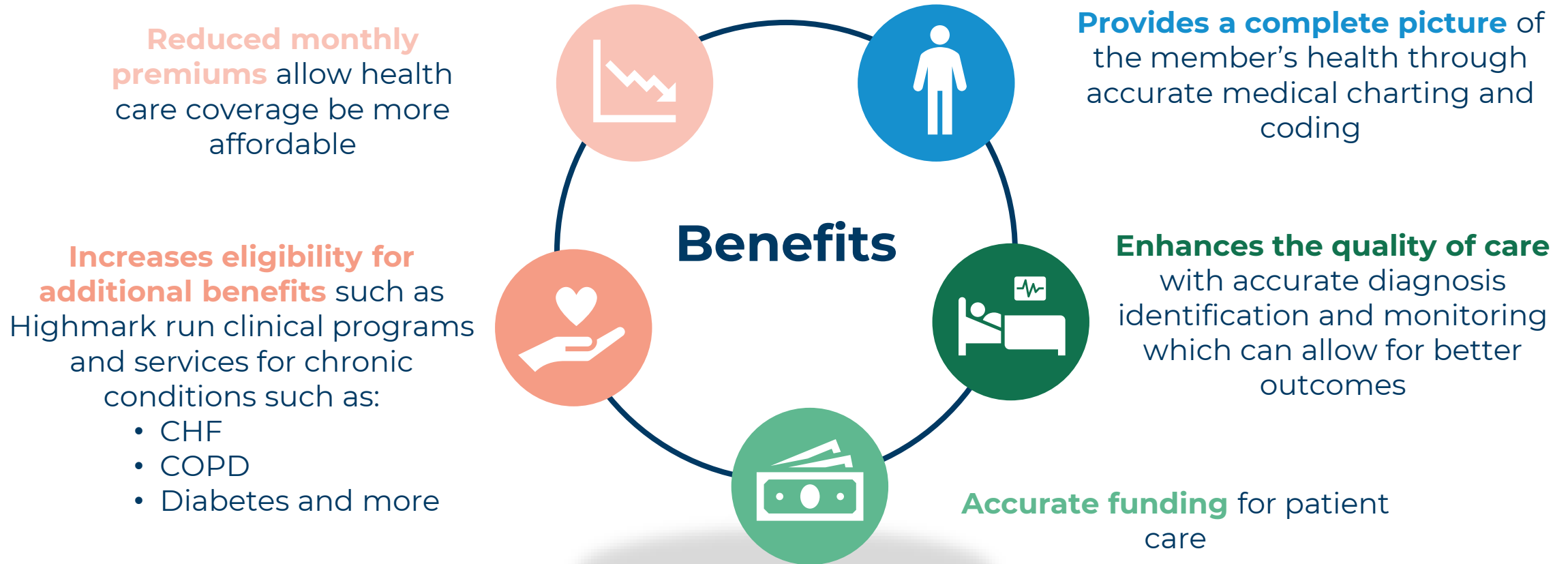
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# What is Risk Adjustment?

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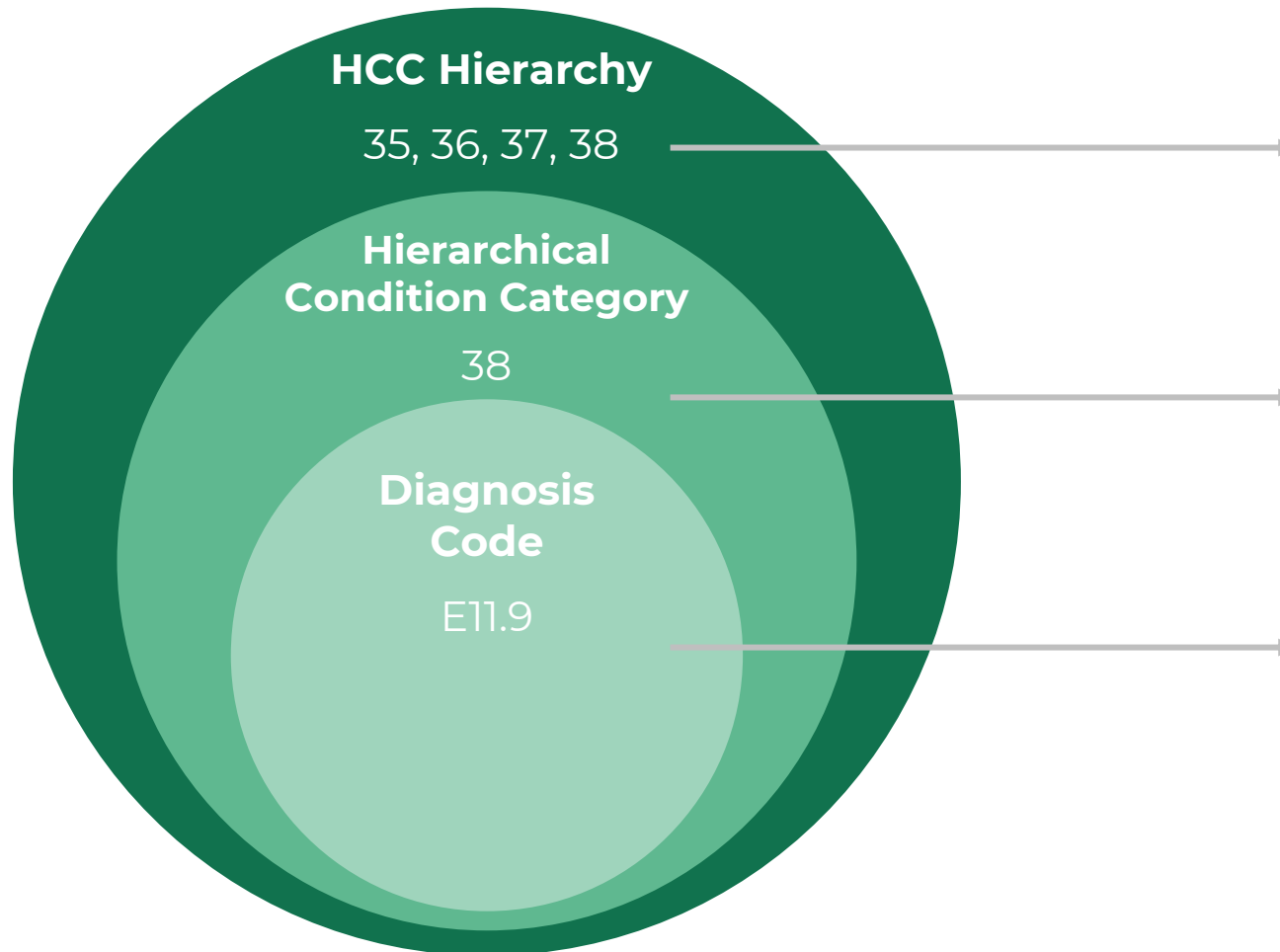
# Risk Adjustment

The Hierarchical Condition Category (HCC) risk adjustment model is a methodology used by the Centers for Medicare and Medicaid Services (CMS) to determine a payer's reimbursement of care and to predict future healthcare costs based on the health status and other risk factors of their enrolled Medicare Advantage Members. Risk adjustment eliminates the ability of health plans to only insure healthy members.



# What is an HCC?

Diagnoses are categorized into HCCs and assigned a value for risk adjustment. The HCC risk adjustment model is additive meaning the values of each HCC are added to establish the overall risk score of a member.



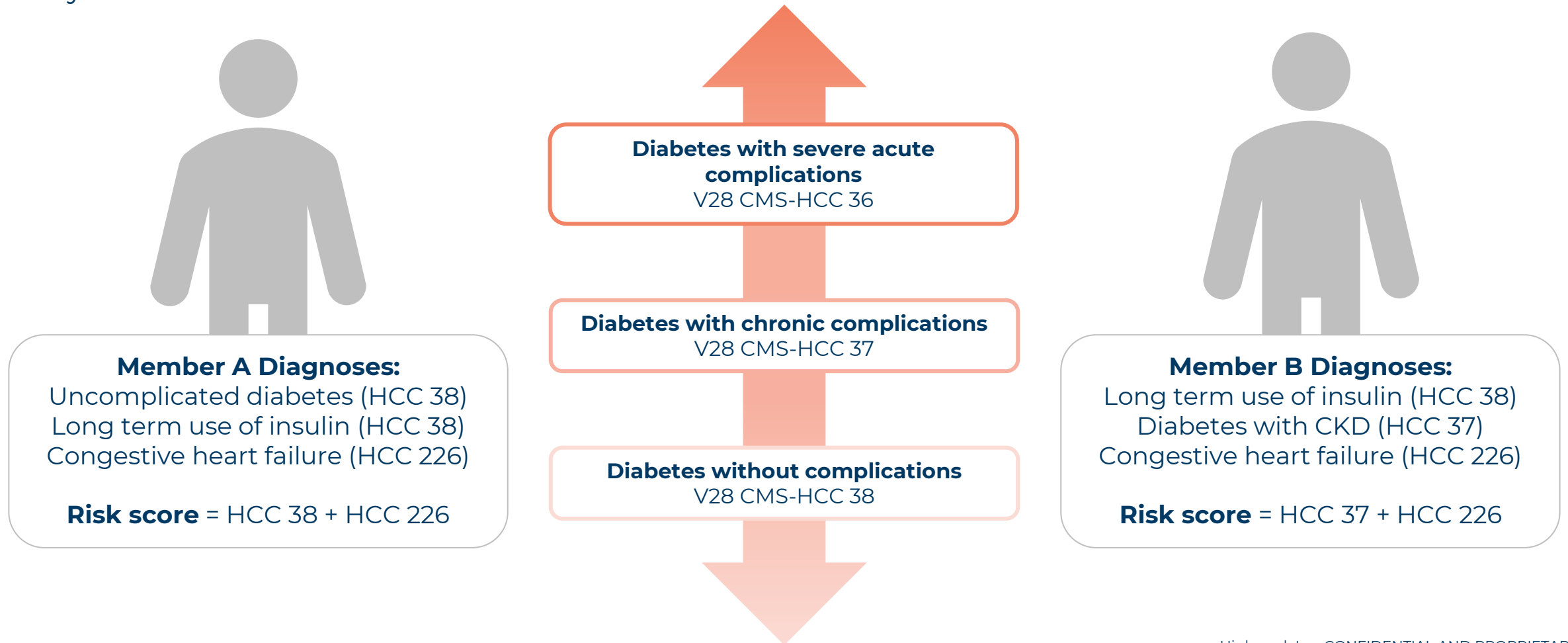
HCC hierarchies or families are related disease categories. The hierarchies are inclusive with the most severe diagnoses carrying the risk score.

Individual diagnosis codes are ranked into categories (HCCs) that represent conditions that are both similar clinically and with respect to cost.

A diagnosis code describes a specific disease or medical condition.

# How Does an HCC Hierarchy Work?

Diagnoses categorized within the same HCC hierarchy (family) are ranked based on their severity. A diagnosis with lesser severity is “out ranked” by a more severe diagnosis in the hierarchy family. Additionally, no matter how many different ICD-10-CM codes map to the same HCC, the value for that category is added only once to a member’s risk score.



# What is a Risk Score?



**Member's risk score** is a relative measure of the anticipated expenditures for their health care. This numeric value is based on demographics and diagnoses (HCCs).



**Entity/practice's risk score** is a relative measure of the anticipated expenditures for their patients' health care. This numeric value is an average of their attributed patients.



**Higher risk score reflects higher cost of care.**



**Every January 1**, all member's risk scores are reset.

**Risk score capture is a shared priority** between you as the treating clinician and Highmark as the payer.



- Chronic condition identification
- Appropriate care provided to the member
- Reduction of disease complication

**Capturing the disease severity is important**



- Ongoing evaluation of all chronic conditions with documentation in the medical record
- Required annual validation for accurate risk score determination.

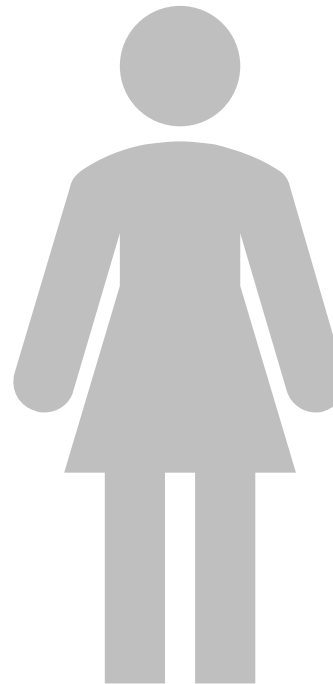
# How Does Risk Adjustment Work?

Average monthly cost or benchmark of a Medicare beneficiary for Cameron county

Lower risk

Higher risk

\$695.58\*



## Example 1: Incomplete Documentation to Accurately Reflect Diagnoses

Female Aged 65 - 68	0.330
Cirrhosis of Liver <small>(Ensure associated complications are documented)</small>	0.447
BMI 40 <small>(ICD-10 guideline requires clinician to interpret associated weight diagnosis)</small>	0
Major Depression, Recurrent <small>(ICD-10 requires Type/Stage/Severity of Depression)</small>	0

**Total Unadjusted Risk Score** **0.777**  
*Sum of risk score factors before adjustments*

**Capitation Rate\*** **\$695.58**

**Monthly Premium Reimbursement to Health Plan**  
**\$540.46**

## Example 2: Complete Documentation to Accurately Reflect Diagnoses

Female Aged 65 - 68	0.330
Cirrhosis of Liver	0.447
Morbid Obesity with a BMI 40	0.186
Major Depression, Recurrent, Moderate	0.299
Esophageal Varices, without bleeding	0.962

**Total Unadjusted Risk Score** **2.224**  
*Sum of risk score factors before adjustments*

**Capitation Rate\*** **\$695.58**

**Monthly Premium Reimbursement to Health Plan**  
**\$1,546.96**

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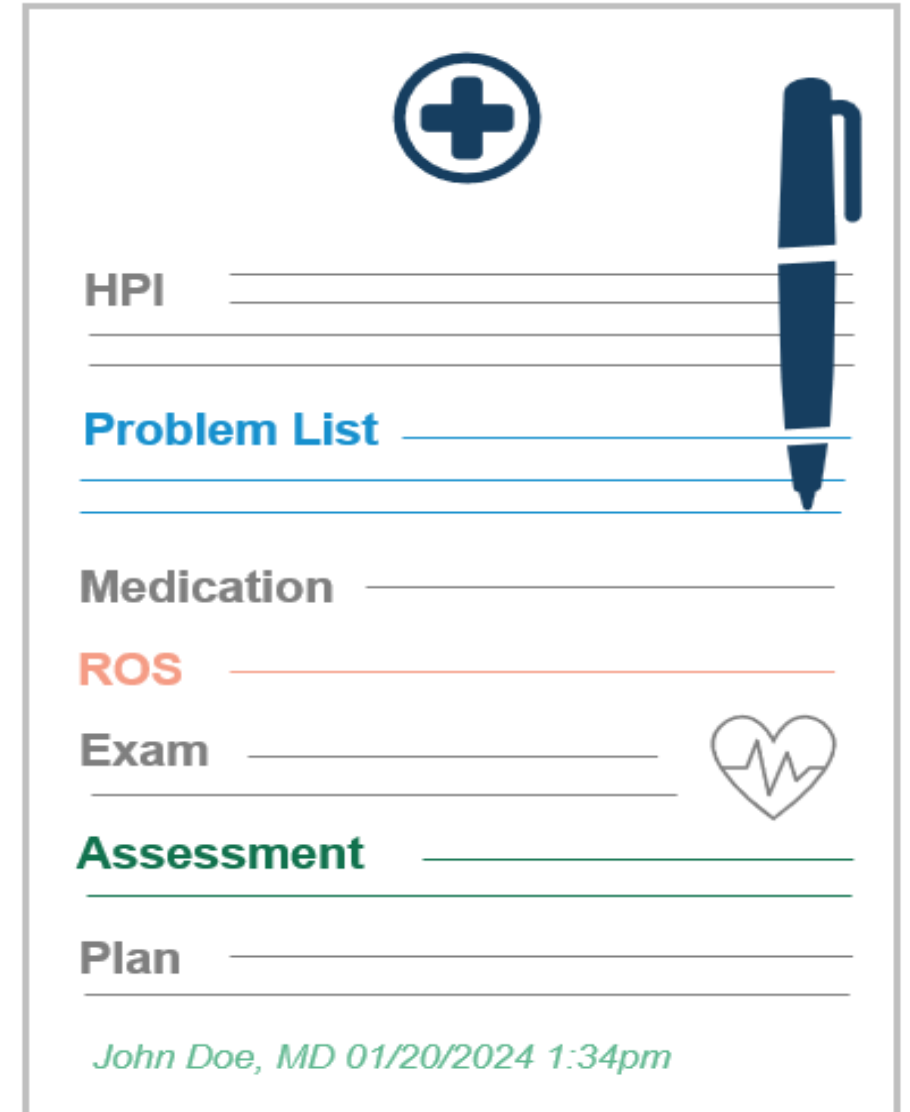
# Documentation Considerations

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# Encounter Documentation

Important tips to ensure your encounter documentation complies with HCC reporting requirements.

- Encounter **must be face to face**
  - In person, or
  - Telehealth (Audio AND Video)
- **Problem list alone do not validate** conditions
- **Caution with patient reported findings**
- Ensure the medical **record accurately reflects the diagnoses captured on the claim**
- Performed by an **approved clinician type**
- Notes must be **signed within 180 days of the encounter**



HPI \_\_\_\_\_

Problem List \_\_\_\_\_

Medication \_\_\_\_\_

ROS \_\_\_\_\_

Exam \_\_\_\_\_

Assessment \_\_\_\_\_

Plan \_\_\_\_\_

*John Doe, MD 01/20/2024 1:34pm*

# M.E.A.T. the Condition

MEAT criteria is the standard used for documentation. Proper documentation **requires that at least one of these four elements must be present in your documentation** for each diagnosis.



**How is the patient doing?**

Documentation of signs, symptoms, disease progression/regression or ongoing surveillance of the condition



**What is the current state of the condition?**

Documentation of current state, test results, medication effectiveness or response to treatment



**How will the condition(s) be evaluated?**

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



**What is being done to help the patient with the condition(s)?**

Documentation of care, prescribed medications, referral to specialist or other modalities

# Common Documentation Pitfalls



## Missed Documentation

- Annual assessment of each chronic condition including conditions that might be managed by another clinician
- Update Problem List to ensure active conditions are not missed

## Contradictory

- Stay consistent with documentation throughout the entirety of the note

## Uncertain Diagnoses

- Avoid using uncertain language such as suggestive of, symptoms of, likely, probable, questionable, consistent with
- If diagnosis is unconfirmed, discuss the plan for further evaluation
- If diagnosis is definitive, state it in certain terms

## History Of

- Avoid documentation of “History of” when referencing an active condition

# Commonly Missed Conditions

According to CMS, a condition does not exist until it is coded and reported for the calendar year. This guidance includes conditions that may be permanent or persistently chronic.

Make sure to **validate these conditions annually** when performing an annual wellness visit (AWV) or annual physical for your patients:

- Amputation status
- Artificial opening status
- Hemiplegia and hemiparesis
- HIV/AIDS status
- Major organ transplant
- Quadriplegia and paraplegia
- Substance use/abuse/dependence



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# **Additional Resources**

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# Documentation Best Practice Checklist



**Annually assess** all chronic conditions and document a plan for each one



**Link medications** to help establish ongoing treatment especially if the medication is used to treat multiple conditions.



**Use the term “History of”** before a condition if it no longer exists or has resolved



**Validate** patient reported findings



**Code and document all coexisting conditions** that require or affect patient care, treatment or management



**Avoid using uncertain terms** when a diagnosis has been confirmed for a patient



**Choose the highest level of specificity** when selecting an ICD-10 code



**Keep problem list up to date** by removing acute and one-time conditions

# Highmark Provider Resource Center



## KNOWLEDGE COLLEGE

15-minute on-demand courses on risk adjustment coding and documentation to help clinicians comply with CMS standards and ICD-10-CM guidelines

1. Log into Availity.
2. Navigate to the Provider Resource Center.
3. Locate “Resources and Education” in the menu bar and navigate to “Clinical Quality & Education”.
4. Select “Coding Education/HCC University”.

### RISK ADJUSTMENT OVERVIEW

Review the foundations of what risk adjustment is, hierarchical condition categories, common errors, best practices and impacts to patient care



### CODING & DOCUMENTATION CARDS

Reference cards to assist with documentation and coding according to CMS documentation standards and ICD-10-CM coding requirements





**Have questions about risk adjustment?**

**Want to share feedback or suggest topics  
for future presentations?**

**Email:**

**[RiskAdjustmentCoding@Highmark.com](mailto:RiskAdjustmentCoding@Highmark.com)**