

Effective and Compliant Hierarchical Condition Category Auditing

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Presented By



- **Kim Pardini-Kiely, RN, MS**, is Protiviti's healthcare clinical and operational excellence and innovation services solutions leader and the Pacific Northwest healthcare practice lead. Pardini-Kiely has a track record of aligning services to achieve strategic goals. Focusing on results, she has implemented management systems that improve organizational performance by creating strategic roadmaps, setting concrete goals, putting efficient processes in place, and monitoring performance to sustain results. She has extensive experience creating value in academic medical centers, health systems, provider networks, post-acute care, home health, payers, behavioral health, and community health. Pardini-Kiely develops transformational organizational strategies using design thinking and lean methodologies that are relevant, contemporary, innovative, and tailored to improve cost, quality, and service.

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Presented By



- **Allison Ritchie, RHIA, CCS**, is a manager within Protiviti's healthcare practice in Chicago. She serves providers within Protiviti's healthcare practice, focusing on revenue integrity, risk adjustment, clinical coding, revenue cycle management, and clinical research billing. Ritchie has approximately 8 years of experience providing operational, financial, and process improvement consulting within the healthcare industry. She holds national board-certification as a Registered Health Information Administrator (RHIA) and Certified Coding Specialist (CCS).

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Learning Outcomes

- At the completion of this educational activity, the learner will be able to:
 - Define and understand risk adjustment
 - Understand why accurate and complete hierarchical condition category (HCC) capture is important
 - Outline components of an effective and compliant risk adjustment program
 - Understand how to measure risk adjustment and HCC program performance

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Risk Adjustment Overview

“In Risk Adjustment, the insurance company is held accountable for the accuracy of the diagnostic coding that is the basis for their payments from CMS.”



Why Risk Adjustment?



- Implemented by the Centers for Medicare and Medicaid Services (CMS) after the Balanced Budget Act of 1997
- Risk adjustment model supports a value-based system in which health insurers are paid for the quality and value of the services delivered.

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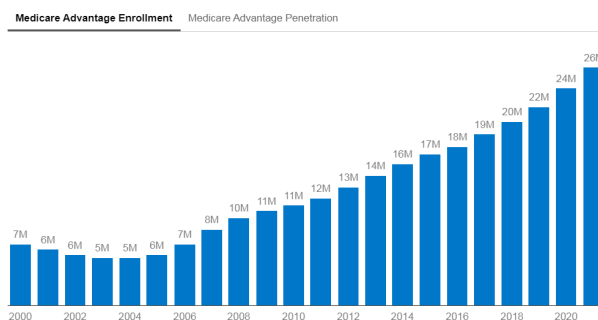
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The Future of Value-based Care



- In 2021, more than 26 million people were enrolled in a Medicare Advantage plan, accounting for 42% of the total Medicare population

Total Medicare Advantage Enrollment, 2000-2021



Medicare Advantage in 2021: Enrollment Update and Key Trends | KFF

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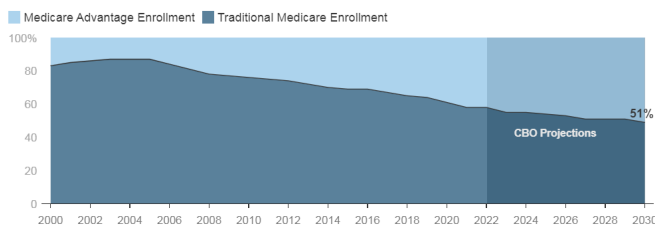
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The Future of Value-based Care



- The Congressional Budget Office (CBO) projects that the share of all Medicare beneficiaries enrolled in Medicare Advantage plans will rise to about 51% by 2030

Medicare Advantage and Traditional Medicare Enrollment, Past and Projected



Medicare Advantage in 2021: Enrollment Update and Key Trends | KFF

Risk Adjustment Hot Topics



Telehealth use



Social Determinates of Health

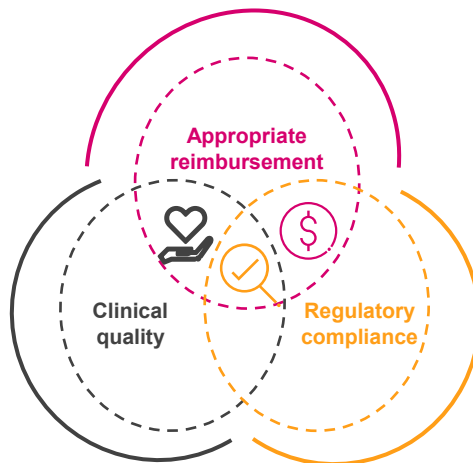


Expansion of ICD-10 codes for comorbid conditions in 2022



Use of AI to mine for HCCs

Key Elements of Risk Adjustment



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Risk Adjustment Models



- Risk adjustment model supports a value-based system in which health insurers are paid for the quality and value of the services delivered.
 - HCCs (Medicare Part A and B)
 - RxHCC (Medicare Part D)

Many conditions risk adjust in both HCC and RxHCC

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Risk Adjustment Factor



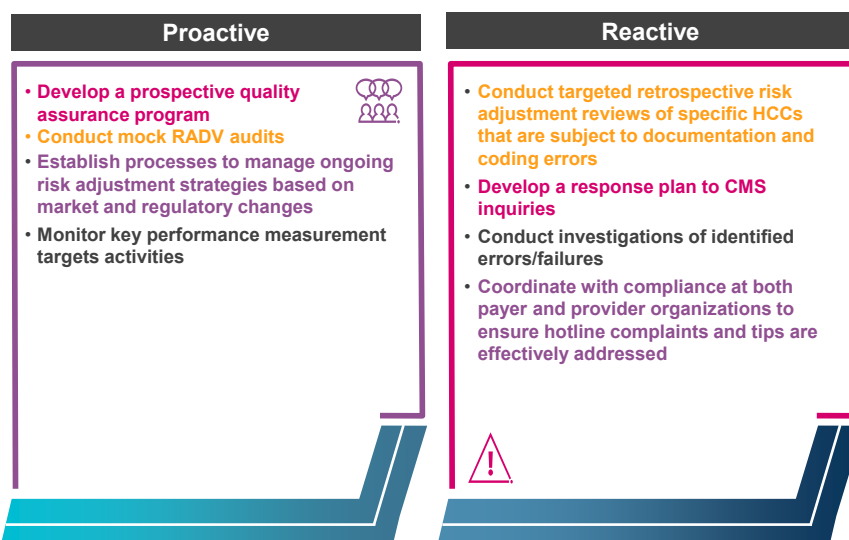
- Each patient is assigned a risk adjustment factor (RAF) score
 - A numeric value assigned by CMS to identify the health status of a patient
- RAF calculation is based on the following:
 - Demographics (age, sex, Medicare entitlement status, and Medicaid eligibility)
 - Health status, severity and/or disease burden based on documented ICD-10 diagnosis codes



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Risk Adjustment Performance Management



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Importance of Accurate and Complete HCC Capture

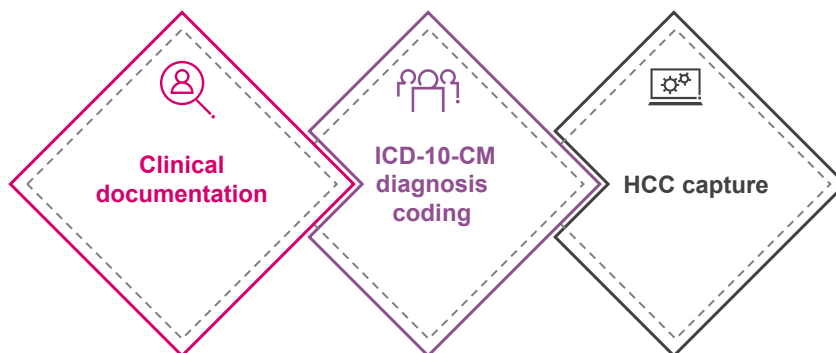
• “ •

MA Plan to pay the Government \$90 million under the False Claims Act for allegedly submitting inaccurate and unsupported medical information on tens of thousands of patients.

MA Plan to pay over \$6.3 million for submitting invalid Medicare Advantage diagnoses

• ” •

HCC Capture Depends on Accurate Clinical Documentation



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Hierarchical Condition Categories (HCC)



- CMS has established a list of more than 9,000 ICD-10-CM codes are associated with higher expected costs of care in the coming year.
 - These diagnosis codes are grouped into 86 HCCs.
- The HCC model is cumulative; a patient may be assigned to more than one category and certain conditions carry a higher risk.

70,000+ ICD-10-CM codes

~9,800 ICD-10-CM map to an HCC

86 condition categories

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Hierarchical Condition Categories (HCC), cont.



- HCCs are captured on a medical claim and documented in the patient's medical record.
 - HCCs must be coded and documented in the patients' medical records every calendar year.

Examples	
Diabetes	Cancer
Chronic respiratory failure	Chronic obstructive pulmonary disease
Congestive heart failure	Peripheral vascular disease
Diabetes in Remission	
Alcohol (dependence/use)	Major depression

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Annual Wellness Visit



- A Medicare annual wellness visit (AWV) is an annual preventive visit that focuses on providing a personalized prevention plan of services for MA members
 - Medicare recipients are required to complete a Health Risk Assessment (HRA) as part of the AWV

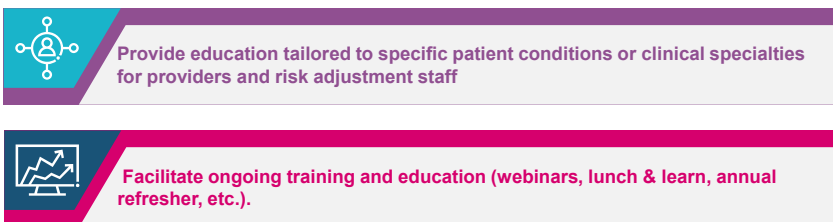
The HRA is primary a source for the identification of health conditions that generate the capture of HCCs

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Risk Adjustment/HCC Education Program

- Establish a robust risk adjustment education program in which a team will coordinate, facilitate, implement, and participate as subject matter experts within the organization for risk adjustment



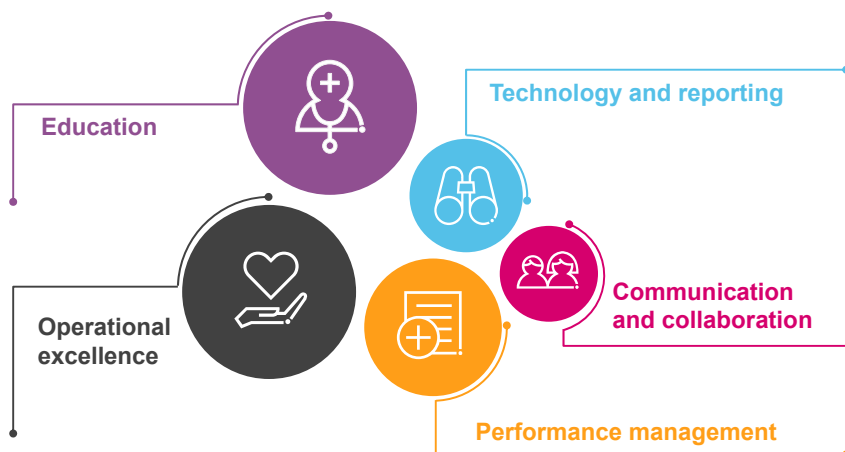
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Components of an Effective and Complaint Risk Adjustment Program

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Components of an Effective and Complaint Risk Adjustment Program

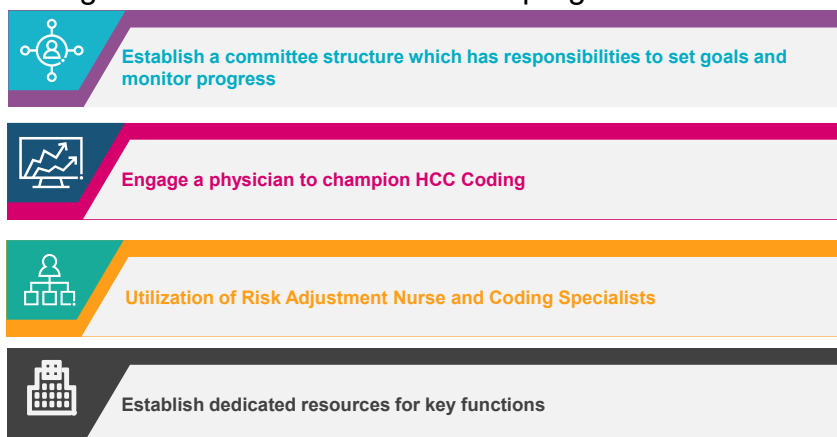


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Risk Adjustment Operational Excellence – Structure

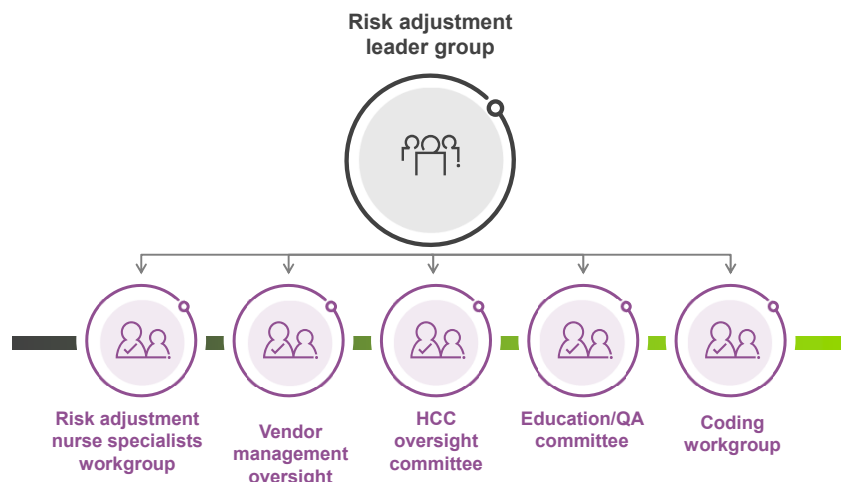
- Foundation of a successful Risk Adjustment Program is dependent upon having effective structure to achieve program outcomes:



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Risk Adjustment Governance Structure Example



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Performance Management: Utilization of Nursing and Coding Experts

- Documentation improvement for risk adjustment is a joint effort between nurses and coders to improve documentation and capture HCCs to facilitate appropriate reimbursement.



The risk adjustment nurse specialists performs pre-visit audits of ambulatory clinical documentation to ensure accurate reflection of patient clinical complexity to support physicians and improve chronic condition recapture:

- Validation of problem list
- Identification of suspected conditions utilizing clinical protocols



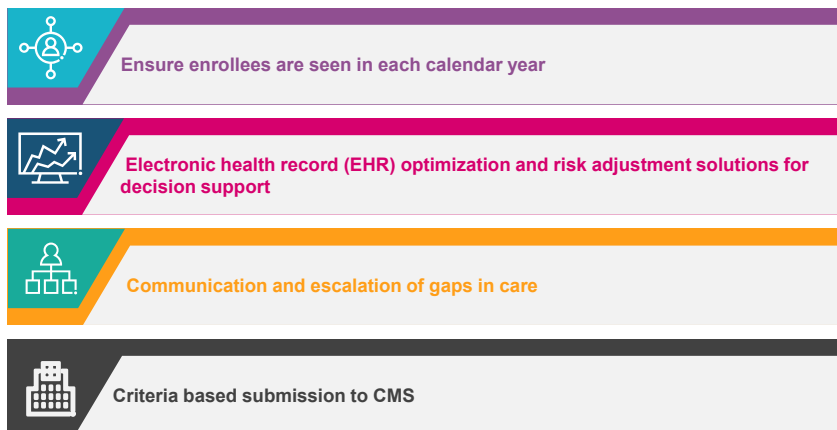
The risk adjustment coder will prospectively review medical records to ensure documentation accurately reflects and supports code selection based on the ICD-10-CM coding guidelines.

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Risk Adjustment Operational Excellence: Workflows

- Foundation of a successful risk adjustment program is dependent upon having effective workflows to achieve program outcomes:



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Measuring Risk Adjustment and HCC Program Performance

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Key Performance Indicators



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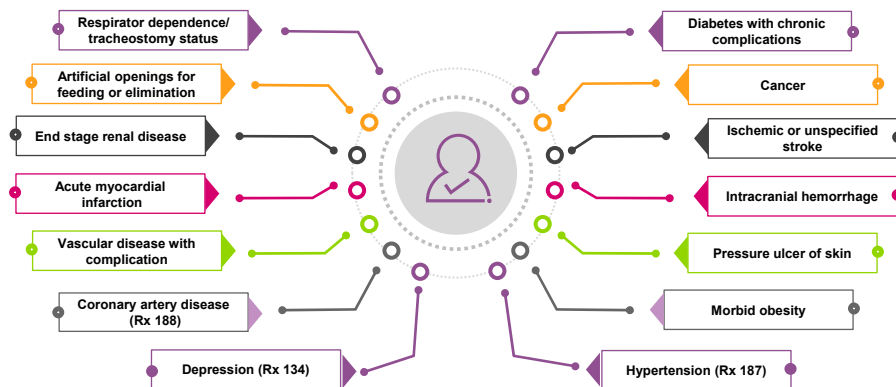
Example Risk Adjustment QA Scorecard

Risk adjustment coder QA scorecard							
Coder name:		QA score: 95%					
Audit month: January							
Monthly Results							
Total # of HCCs reviewed	# of HCCs accurately captured	# of HCCs errors	# of HCC additions	# of HCC deletions	Accuracy rate	Completeness rate	QA score
30	28	3	3	0	100%	90%	95%

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HCCs With High Error Rates

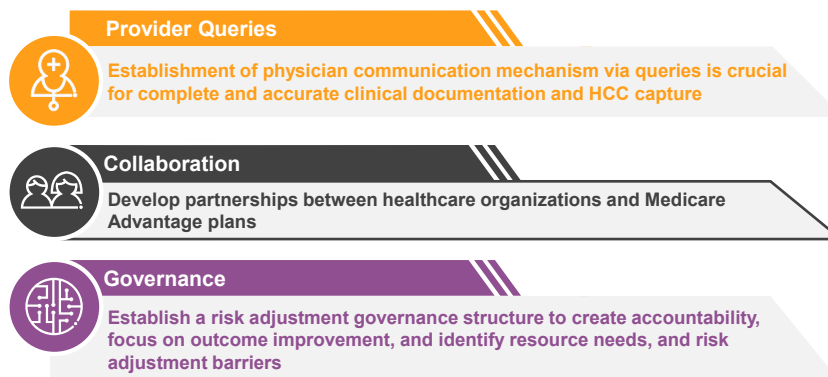


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Establish Communication and Collaboration Pathways

- Work in conjunction with other departments to include provider relations, quality as well as the medical director for the state assigned to ensure compliance of CMS risk adjustments guidelines are met.



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Technology and Real-Time Reporting

- Collaborating with your EHR optimization teams, including input from the provider community, will allow for seamless and accurate capture of diagnoses impacting HCCs.



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Thank you. Questions?

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