

Medicare (CMS) Accurate Diagnosis Capture and Coding Webinar

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Today's Presenter



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Dr. Howard is a Senior Vice President and Executive Medical Director that focuses on Electronic Health Record Optimization and leads the Optimization Service Line at Clinovations which accounts for \$16 million in revenue. His main focus currently is on optimizing the capture of HCC conditions, maximizing the delivery of Medicare Annual Wellness Visits, and streamlining EHR workflows, particularly in Epic, to enhance provider efficiency and engagement. Prior to his current role, he was Senior System VP and CMIO for a complex metropolitan health system in Chicago. There he led the implementation and optimization of multiple EHR platforms, inpatient and ambulatory, to achieve Meaningful Use and Clinical Transformation. He was also a key resource in the creation of an Accountable Care Organization and clinically integrated network. He has also served as a Regional CMO, Regional CMIO, Hospital Medical Staff VP, and Emergency Department Medical Director.

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Accurate Diagnosis Capture and Coding Basics

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Medicare Risk Score Basics

3

Operational Considerations

What is risk adjustment?



Centers for Medicare & Medicaid Services

Risk adjustment is a method used by CMS to evaluate the performance of solo practitioners and groups on the quality and cost of care they provide to their Medicare FFS beneficiaries.

- Addresses differences in beneficiary populations
 - For example, a clinic treating a large number of beneficiaries with multiple chronic conditions who could potentially perform worse on certain quality and cost measures
 - Utilizes the CMS-HCC risk adjustment model
 - A combination of demographic data and disease information through the assessment of 79 HCCs
- The information from the current year is used to predict future year patient care costs

What are Hierarchical Condition Categories?



Centers for Medicare & Medicaid Services

Hierarchical Condition Categories, or HCC, is a model introduced by CMS in 2004 to adjust capitation payments to private healthcare plans for the health expenditure risk for their enrollees

- Uses 79 HCC categories, correlated to diagnosis codes, to measure disease burden
- Diagnoses must be included on a claim within the calendar year to be considered active by CMS
 - Diagnoses reset January 1st of every year
- Used for the following CMS programs:
 - Medicare Advantage Plans
 - Medicare Shared Savings ACO

Risk is Becoming A Core Pillar of Our Business

Regardless of Payer Type, Risk on the Rise

40%

Of Medicare population will be Medicare Advantage by 2025

45%

Of physician MIPS payments tied to quality and clinical improvement

50%

Of CMS Payments tied to risk models by 2018

64%

Of commercial insurers are offering ACOs and shared risk programs

70%

Of Medicaid is in some form of risk contract

85%

Of population lives within an ACO territory

Population Risk Rating Underpins Success in Shift to Pay-for-Value

Population risk rating – especially accurate HCC capture and documentation – is essential for gauging the complexity (cost) of a population and securing **appropriate reimbursement** for patients in the provider's care.

Leaving Reimbursement on the Table

An 85-year-old MA patient comes in for a visit...

Symptoms

- Symptoms of UTI, reports mild claudication
- Tired, less energy, poor appetite, mild malnutrition
- Urinalysis performed shows white cells, leukocyte esterase, and microalbuminuria

Medical History

- Stable diabetes mellitus (DM)
- Chronic kidney disease (CKD) stage 4 exacerbated by diabetes
- Stable left great toe amputation due to non-healing ulcer
- UTI with serum GFR 29

One Patient, Three Scenarios

Capture basic demographics

85-year-old Female

Total RAF	0.677
PMPM Payment	\$542
Annual Payment	\$6,499

Capture reason for most-recent visit

85-year-old Female

- ✓ Diabetes mellitus
- ✓ UTI

Total RAF	0.795
PMPM Payment	\$636
Annual Payment	\$7,632

Capture complete clinical information

85-year-old Female

- ✓ Diabetes mellitus
- ✓ UTI
- ✓ CKD Stage 4 due to Diabetes
- ✓ Mild Degree Malnutrition
- ✓ H/O Toe Amputation
- ✓ PVD due to Diabetes

Total RAF	3.06
PMPM Payment	\$2,448
Annual Payment	\$29,376

Aligning on a Full Picture of Patient Health

Why Capturing Chronic Conditions Is Important



Electronic Health
Records (EHR)



Center for Medicare and
Medicaid Services (CMS)

Known Patient Conditions

- 85-year-old female
- Diabetes mellitus
- UTI
- CKD stage 4 due to diabetes
- Mild degree malnutrition
- H/O toe amputation
- PVD due to diabetes

INFORMATION GAP

*Incomplete view of patient's
complexity*

Assumed Patient Healthcare Complexity Based on Billing Data

- ✓ 85-year-old female
- ✓ Diabetes mellitus
- ✓ UTI
- CKD stage 4 due to diabetes
- Mild degree malnutrition
- H/O toe amputation
- PVD due to diabetes



Complete documentation of patient's complexity results in **CMS allocating** the appropriate funds the following year to care for the patient

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How is the risk score calculated?

Demographic Factors + Disease Factors + Interaction Factors = Raw RAF Score

Accounting for Demographics

DEMOGRAPHICS



Age as of February 1 of the payment year



Sex of the beneficiary



Disabled Status factor for community resident disabled beneficiaries under 65 years old



Original Reason for Entitlement factor for beneficiaries 65 years of age or older who were originally entitled to Medicare due to disability



Medicaid Eligibility factor for Medicaid status of the beneficiary

Demographic Factors

+

Disease Factors

+

Interaction Factors

=

Raw RAF Score

Calculating the Added Cost of Chronic Disease



Thousands of ICD-10 diagnosis codes map to 189 HCC categories

(Not every ICD-10 code or HCC category are used for each year or model)



Trumping logic ensures that diseases are not double counted. For example, HCC 18, Diabetes with Chronic Complication trumps HCC 19, Diabetes without Complication



Each HCC category has an associated RAF value. RAF values are added together to form the Disease Factor score

$$\text{Demographic Factors} + \text{Disease Factors} + \text{Interaction Factors} = \text{Raw RAF Score}$$

Interaction

Disease Interactions



- If the additive RAF score resulting from two diseases is not sufficient to fully document increased risk, an interaction term is added.

Example beneficiary:

- Diabetes HCC 19= RAF **.118**
- CHF HCC 85 = RAF **.368**
- Raw RAF score = Demographic factors +
.118 + .368 + **.182 (Diabetes_CHF interaction)**

Disease/Disabled Interactions



- For disabled beneficiaries, interaction terms apply for additional diseases.

• Example beneficiary:

- Opportunistic Infection HCC 5 = RAF **.440**
- **Originally Disabled**
- Raw RAF score = Demographic factors +
.440 + **.451 (Disabled_HCC5 interaction)**

$$\text{Demographic Factors} + \text{Disease Factors} + \text{Interaction Factors} = \text{Raw RAF Score}$$

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Operational Considerations



Coding Specificity

- Important to code to the highest level of specificity possible
- A more accurate reflection of patients' conditions
- Avoid potential for claim denial for unspecified diagnoses



Accurate Documentation

- Accurate and robust supporting documentation is required for all diagnoses submitted to CMS

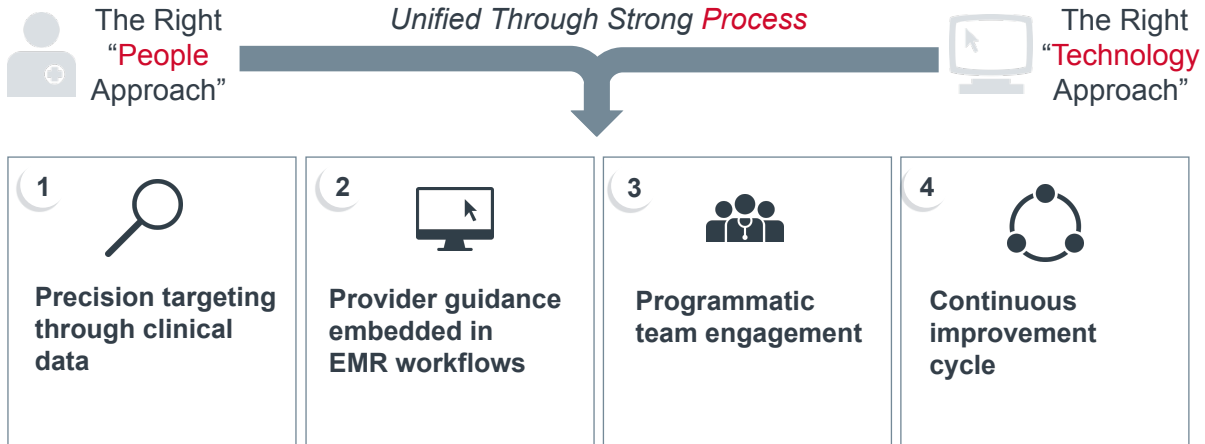


Problem List Maintenance

- An up-to-date problem list is important for providing a clear picture of a patient's conditions
 - Can be used to remind providers to treat a patient's condition that may not be the primary reason for the visit

Key is Combining and Reinforcing Efforts

Four Hallmarks of a Standout Performer



Population Risk Rating a New Skill

Long-Term Success Requires Near-Term Precision

Securing Visits within Designated Rating Period



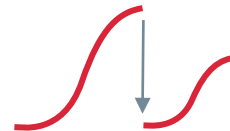
Complexity of Medicare patients is rated in E&M interactions with qualified providers in qualified care settings during calendar year

Maintaining an Accurate, Referenceable Record



Patients and conditions warranting management must be easy to identify, evaluate, and document within the medical record

Rebooting “Capture” Efforts Each Year



Consistent effort is required to maintain appropriate payment, which is reset regularly based on last-recorded complexity of population



HCCs captured and submitted by deadline(s) significantly impact payment amounts and cash flow for **up to two years**

Shared Challenges at the Diagnosis Level

Top Five Missed Diagnoses

Diagnosis	Health System 1	Health System 2	Health System 3
<i>Morbid Obesity</i>	Rank: #1 Opportunity: 15%	Rank: #1 Opportunity: 10%	Rank: #1 Opportunity: 19%
<i>Diabetes with Chronic Compl.</i>	Rank: #2 Opportunity: 8%	Rank: #2 Opportunity: 9%	Rank: #2 Opportunity: 6%
<i>Atherosclerosis</i>	Rank: #3 Opportunity: 7%	Rank: #4 Opportunity: 4%	Rank: #3 Opportunity: 5%
<i>COPD</i>	Rank: #4 Opportunity: 5%	Rank: #3 Opportunity: 5%	Rank: #4 Opportunity: 5%
<i>Rank: #5</i>	Seizure Disorder Opportunity: 4%	Bipolar Disorder Opportunity: 2%	CHF Opportunity: 2%

1) Rank of diagnosis as contributor to total RAF uncaptured



Questions for Q&A Hours?
