Medical Coding's Connection to Risk Adjustment

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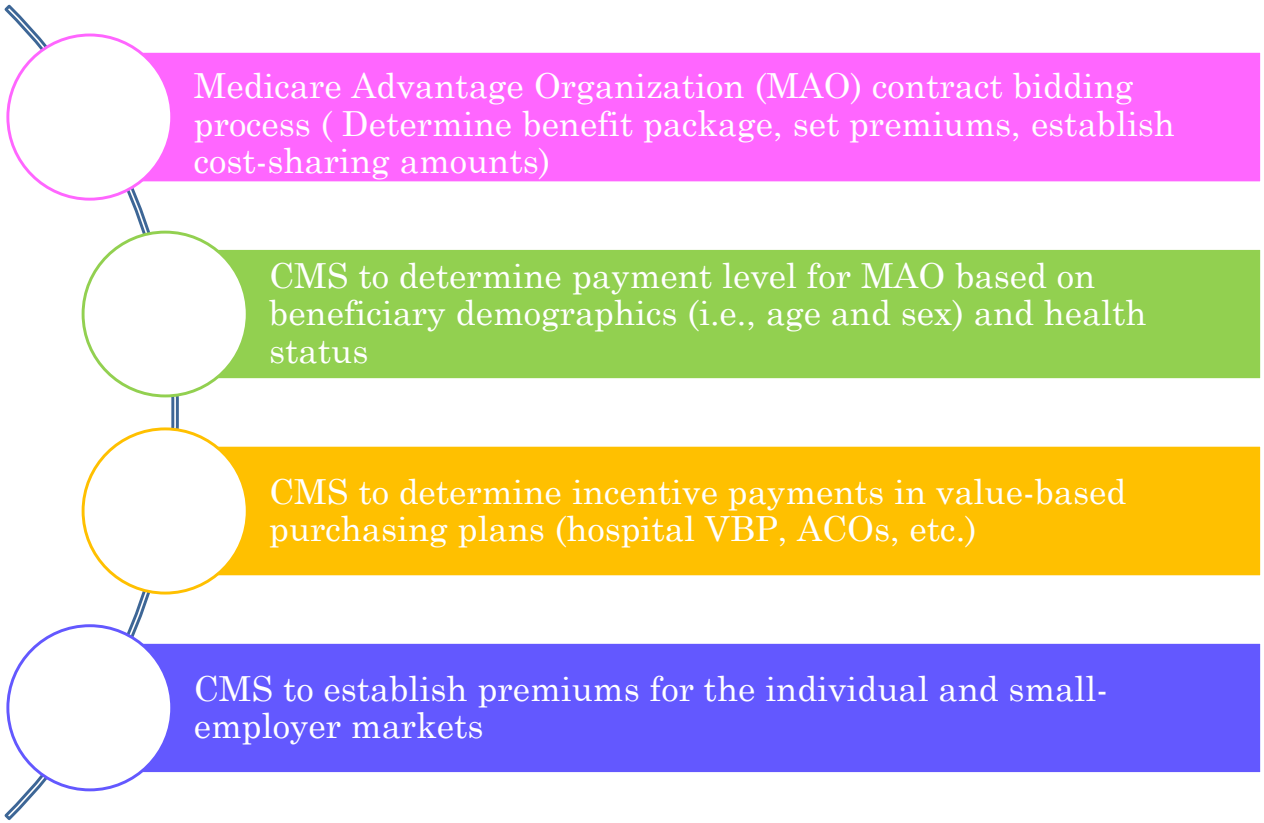
Risk Adjustment

- In the Risk Adjustment Basics video, we learned about risk adjustment and how this process is used by healthcare facilities and payers. In this presentation I am going to discuss how medical coding is used in risk adjustment models.
- Risk adjustment is a hot topic in the reimbursement world



CMS – Hierarchical Condition Category Model (CMS-HCC)

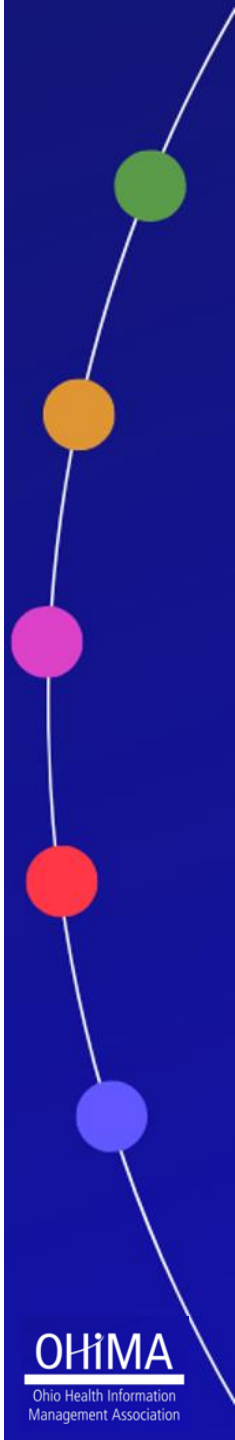
- Risk adjustment model used by CMS to customize Medicare Advantage (MA) payments
- Utilizes demographic characteristics and medical conditions from a beneficiary in a *base year* to predict their costliness for the *next year*

Demographics

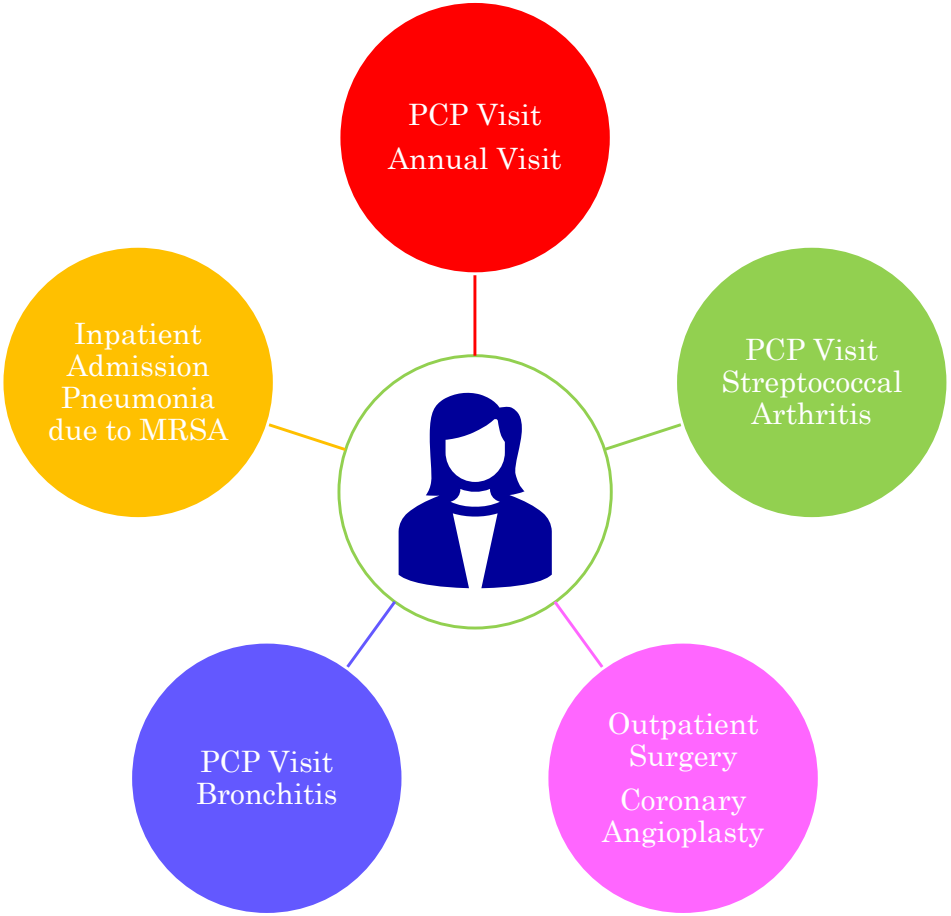
- Age
- Sex
- Medicaid status
- Institutional status
- disability

Medical Conditions

- Examples include
  - Diabetes
  - Amputation status
  - Neoplasm
  - Monoplegia
  - Hypertensive chronic kidney disease



Medicare Beneficiary Healthcare Visits



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Sample Diagnosis Codes

C25.0	• Malignant neoplasm of head of pancreas
J15.212	• Pneumonia due to MRSA
M00.272	• Other streptococcal arthritis, left ankle and foot
N18.6	• End-stage renal disease
T87.42	• Infection of amputation stump, left upper extremity

Accurate Coding

- Medical coding is a challenging field.
- There are numerous coding rules and guidelines that must be followed in order to accurately code a healthcare claim.
- Medicare Advantage Organizations are using the medical codes reported on claims by various healthcare facilities. Therefore, the coding accuracy could vary by facility.
- The Medicare Advantage Organization may need to validate codes by reviewing medical record documentation for the healthcare encounter.

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Sample of HCC ICD-10-CM Codes

ICD-10-CM Code and Description	HCC Category and Description v24
C25.0, Malignant neoplasm of head of pancreas	HCC 9, Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid
J15.212, Pneumonia due to methicillin-resistant Staphylococcus aureus	HCC 163, Aspiration and Specified Bacterial Pneumonias and Other Severe Lung Infections
M00.272, Other Streptococcal arthritis, left ankle and foot	HCC 55, Bone/Joint/Muscle Infection/Necrosis
N18.6, End-stage renal disease	HCC 184, End Stage Renal Disease
T87.42, Infection of amputation stump, left upper extremity	HCC 234, Traumatic Amputations and Amputation Complications

Beneficiary A Conditions

Below are medical conditions that Beneficiary A experienced over the past year.

Beneficiary A

- Diabetic Retinopathy HCC 18
- Claustrophobia Not an HCC
- UTI Not an HCC
- BMI 41 HCC 43
- COPD HCC 111

3 HCCs for this beneficiary

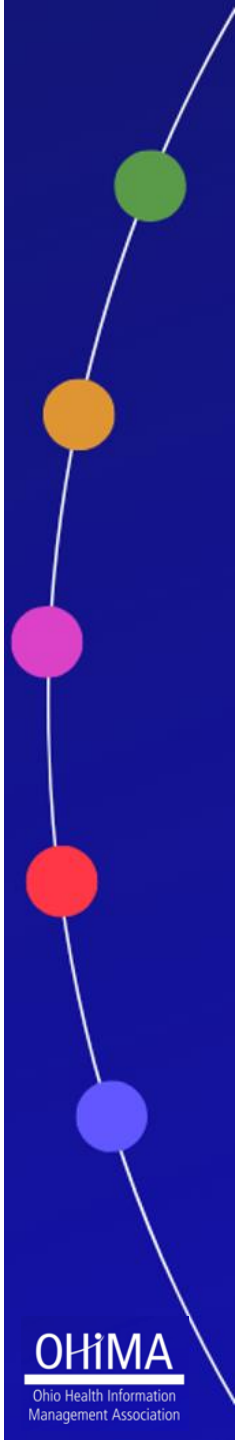
Beneficiary A's Health Risk Score

ICD-10-CM Code	Description	HCC Model Category	Health Risk Score
E11.3492	Diabetic retinopathy	18, Diabetes with chronic complications	0.318
Z68.41	BMI 41	22, Morbid obesity	0.273
J44.0	COPD with acute lower respiratory infection	111, Chronic obstructive pulmonary disease	0.328
Total Health Risk Score			0.919

Health Risk Score impact on Monthly Payments

Beneficiary A	Beneficiary B	Beneficiary C
• RAF 0.919 • PMPM* $1,000 • Adjusted PMPM $919	• RAF 1.247 • PMPM $1,000 • Adjusted PMPM $1,247	• RAF 1.057 • PMPM $1,000 • Adjusted PMPM $1,057

* Per member per month



Risk Adjustment Data Validation (RADV)

Risk Adjustment Data Validation Audits

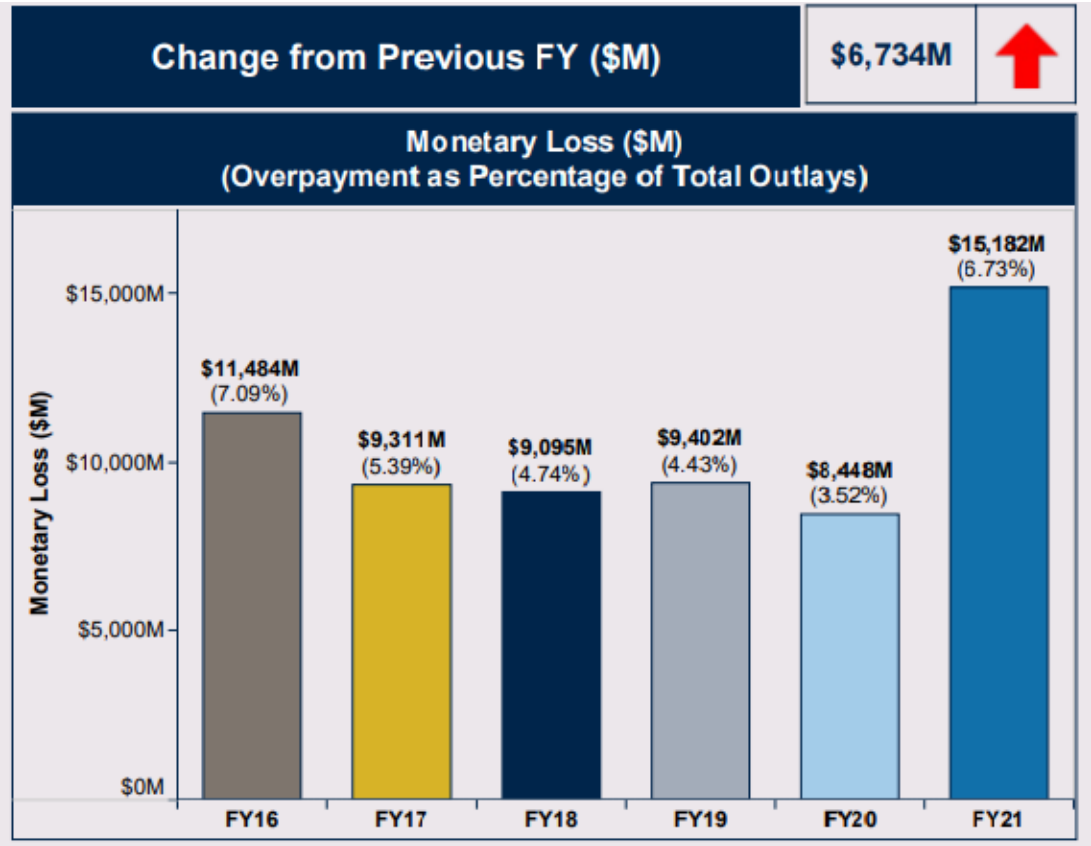
- CMS conducts risk adjustment data validation (RADV) activities for the purpose of ensuring the accuracy and integrity of risk adjustment data (diagnosis codes) and MA risk adjusted payments (risk score)

- RADV is the process of verifying that diagnosis codes submitted by an MAO are supported by medical record documentation

- RADV is an improver payments review audit for Medicare part C

RADV

Payment Integrity Scorecard
4th qtr., 2022



The primary causes of Medicare Advantage improper payments are medical record discrepancies and insufficient documentation

https://www.paymentaccuracy.gov/payment-accuracy-high-priority-programs/

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Conditions at High-Risk for Incorrect Reporting

- Chronic kidney disease, stage 5
- Ischemic or unspecified stroke
- Cerebral hemorrhage
- Aspiration and specified bacterial pneumonias
- Unstable angina and other acute ischemic heart disease
- End-stage liver disease
- Atherosclerosis of the extremities with ulceration and gangrene
- Myasthenia gravis/myoneural disorders and Guillain-Barre Syndrome
- Drug/Alcohol psychosis
- Lung and other severe cancers

High-Risk HCC Measure

Supplementation measure that analyzes top CMS-HCCs that have the highest rates of errors

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- https://www.paymentaccuracy.gov/
- https://paymentaccuracy.gov/program/medicare-advantage-part-c/

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Careers

Coding

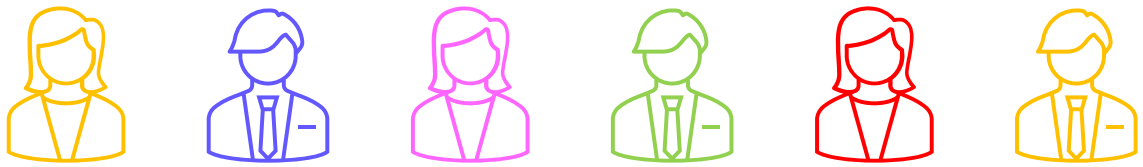
- Certified professional coder (CPC)
- Medical biller
- Coding specialist
- Coding associate
- Billing specialist
- Billing coordinator

Coding Analysis

- Coding analyst
- Billing analyst
- Coding auditor
- Billing auditor
- Denial coding analyst
- Quality assurance coder

Specific to Risk Adjustment

- Certified risk adjustment coder (CRC)
- Risk adjustment coder
- Risk adjustment specialist
- HCC coding specialist
- Risk adjustment coding auditor
- Risk adjustment medical record specialist
- Risk adjustment analyst
- HCC risk validation auditor



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THANK YOU FOR JOINING!

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