HCC Risk Adjustment: What is it and how can BDA assist?
What is HCC Risk Adjustment

- CMS is shifting the traditional **volume-based fee-for-service** payment model towards **value-based** payment models.
- These new models require a risk-adjustment methodology.

<table>
<thead>
<tr>
<th>Outpatient Fee for Service</th>
<th>Risk Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Providers are paid based on services performed.</td>
<td>• Concentrates on patient’s current conditions.</td>
</tr>
<tr>
<td>• Payment is based on CPT code accuracy.</td>
<td>• Payment is based on the overall complexity of the patient’s conditions over a year’s period.</td>
</tr>
<tr>
<td>• Critical that documentation supports the level of service and procedures performed.</td>
<td>• Uses patient demographics and diagnosis codes to establish payment.</td>
</tr>
<tr>
<td>• ICD-10-CM codes are normally reported only to support the medical necessity of the service provided.</td>
<td></td>
</tr>
</tbody>
</table>
What is Risk Adjustment?

• A process that CMS uses to reimburse Medicare Advantage plans based on the health status of members. (Hierarchical Condition Category or HCC)

• Typically uses a patient’s demographic data and diagnosis codes to determine a risk score for the patient.

*Diagnoses and demographics are driving the payment*
What is Risk Adjustment? (cont’d)

- Allows payment to be risk adjusted based on patient complexity.
- Uses a patient’s documented 12-month diagnostic coding history and demographics to predict future financial utilization and risk.
- Creates a RAF score that reflects the patient’s complexity.
- This score is then multiplied by a base rate to determine payment.
How Is BDA Assisting?

HCC ReClaim™

Running Reports That Identify...

✓ Specialty Risk Scores
✓ Target Patients that require attention (Just a click away)
✓ Target Provider HCC Scores

HCC Risk Adjustment Education Tool for BDA

Table 1: Specialty Break Down
Jan 2018 - Dec 2018

<table>
<thead>
<tr>
<th>Grouping</th>
<th>Classification</th>
<th>Specialization</th>
<th>Risk Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Emergency Medicine</td>
<td></td>
<td>0.538692307692308</td>
</tr>
<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Family Medicine</td>
<td></td>
<td>0.844746165644176</td>
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<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Family Medicine</td>
<td>Sports Medicine</td>
<td>0.648387755102041</td>
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<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Internal Medicine</td>
<td></td>
<td>0.882386503067485</td>
</tr>
<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Internal Medicine</td>
<td>Endocrinology, Diabetes &amp; Metabolism</td>
<td>0.925461534861539</td>
</tr>
<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Internal Medicine</td>
<td>Nephrology</td>
<td>1.30394285714286</td>
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<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Internal Medicine</td>
<td>Pulmonary Disease</td>
<td>0.941081081081081</td>
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<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Obstetrics &amp; Gynecology</td>
<td></td>
<td>0.6247333333333333</td>
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<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Pediatrics</td>
<td></td>
<td>1.084625</td>
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<tr>
<td>Allopathic &amp; Osteopathic Physicians</td>
<td>Psychiatry &amp; Neurology</td>
<td>Neurology</td>
<td>0.981248175182482</td>
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<tr>
<td>Nursing Service Providers</td>
<td>Registered Nurse</td>
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<td>1.050361111111111</td>
</tr>
<tr>
<td>Physician Assistants &amp; Advanced Practice Nursing Providers</td>
<td>Nurse Practitioner</td>
<td></td>
<td>0.487</td>
</tr>
<tr>
<td>Physician Assistants &amp; Advanced Practice Nursing Providers</td>
<td>Nurse Practitioner</td>
<td>Adult Health</td>
<td>0.715461538464538</td>
</tr>
</tbody>
</table>
How Is BDA Assisting?

HCC ReClaim™

Target Providers...
✓ Below Threshold of 1

Target Patients...
Negative or Low Scores
✓ Missing HCC’s to Date
Why Does It Matter?

**Education and Tools:**

- ✓ For Medicare Advantage plans, higher risk scores translate into higher PMPM payments.
- ✓ Lower risk scores translate into lower PMPM payments.
- ✓ MA programs may suffer financial losses if their HCC scores underestimate the degree of illness within their beneficiary population.
How Is BDA Assisting?

Education and Tools:

✓ Action Plan and Timeline is Determined
✓ Chart Reviews Occur
✓ One-on-One Provider Education
✓ BDA Coding Advisors
✓ MyDiVO
✓ Continued Education Through Electronic Education
Impact Of BDA’s Program

Begin With:
✓ A Complimentary Preliminary Analysis
✓ Meet to discuss results
✓ BDA simply needs 1 year’s worth of CCLF Data from their ACO.
✓ Data is then transferred via a secure FTP site (sFTP).

Once Engaged:
✓ BDA looks for Appropriate Documentation
✓ BDA looks for Appropriate Coding
✓ Education occurs one-on-one
  ✓ Care will improve
  ✓ Reimbursement will improve
✓ Analytical Reports addressing the omission of HCCs
Questions?

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