

Importance of HCC Risk Adjustments and Strategies to Optimize

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Overview of Medicare's HCCs

- HCC – Hierarchical Condition Categories
- CMS-HCC Risk Adjustment Model – Used to Calculate Risk Scores (RAF-Risk Adjustment Factors) to adjust capitated payments made for Medicare Advantage (MA) plans
- RAF – Demographic + Health Status
- Adjustments Made to Model Annually
- **Model is Prospective**



Risk Score Renormalization

National Assignable FFS Mean CMS-HCC Risk Scores Used to Renormalize				
Medicare Enrollment Type	BY1	BY2	BY3	PY
ESRD	1.046	1.034	1.074	1.106
Disabled	1.139	1.139	1.218	1.297
Aged/dual	1.652	1.632	1.739	1.823
Aged/non-dual	1.004	1.001	1.055	1.064



HCC Data Capture

- Medicare Advantage & ACOs Use
 - Common Medicare Environment (Demographic Data)
 - Minimum Data Set (MDS)(Long-Term Inst. Data)
 - National Medicare Utilization Database (NMUD)(Fee-for-Service Diagnosis Data)
- MA Also Uses
 - Risk Adjustment Processing System (RAPS) Database (Diagnosis Data)



MSSP HCC Data Provided

Table 1-1
Medicare Shared Savings Program
Assigned Beneficiaries
ACO A1051 Coastal Carolina Quality Care, Inc.
Year 2016
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HICN	Newly Assigned Beneficiary Flag ⁵	Monthly Eligibility Flag ⁶	CMS-HCC Risk Score				Demographic Risk Score			
			ESRD	Disabled	Aged/Dual	Aged/Non-dual	ESRD	Disabled	Aged/Dual	Aged/Non-dual



Benchmark – BY3 No HHC Change

Table 1
Shared Savings Program Rebased Historical Benchmark Determination

Calculate Historical Benchmark	BY1(AP2)	BY2(AP2)	BY3(AP2)	3-Year Avg
[B] Per Capita Expenditures (\$)				
Aged/non-dual	8,500	8,500	8,500	–
[C] CMS-HCC Risk Score				
Aged/non-dual	0.950	0.950	0.950	–
[D] CMS-HCC Risk Ratio				
Aged/non-dual	1.000	1.000	1.000	–
[E] OACT Nat. Assignable FFS Exp Trend Factor				
Aged/non-dual	1.050	1.025	1.000	–
[F] Trended Per Capita Expenditures (\$)				
Aged/non-dual	8,925	8,713	8,500	–
[G] 3-Year Weighted Avg Annual Per Capita Exp (\$)				
Aged/non-dual	2,975	2,904	2,833	8,713



Benchmark – BY3 Drop in HCC

Table 1
Shared Savings Program Rebased Historical Benchmark Determination

Calculate Historical Benchmark	BY1(AP2)	BY2(AP2)	BY3(AP2)	3-Year Avg
[B] Per Capita Expenditures (\$)				
Aged/non-dual	8,500	8,500	8,500	–
[C] CMS-HCC Risk Score				
Aged/non-dual	0.950	0.950	0.900	–
[D] CMS-HCC Risk Ratio				
Aged/non-dual	0.947	0.947	1.000	–
[E] OACT Nat. Assignable FFS Exp Trend Factor				
Aged/non-dual	1.050	1.025	1.000	–
[F] Trended Per Capita Expenditures (\$)				
Aged/non-dual	8,455	8,254	8,500	–
[G] 3-Year Weighted Avg Annual Per Capita Exp (\$)				
Aged/non-dual	2,818	2,751	2,833	8,403



Benchmark – BY3 Inc. in HCC

Table 1
Shared Savings Program Rebased Historical Benchmark Determination

Calculate Historical Benchmark	BY1(AP2)	BY2(AP2)	BY3(AP2)	3-Year Avg
[B] Per Capita Expenditures (\$)				
Aged/non-dual	8,500	8,500	8,500	–
[C] CMS-HCC Risk Score				
Aged/non-dual	0.950	0.950	1.000	–
[D] CMS-HCC Risk Ratio				
Aged/non-dual	1.053	1.053	1.000	–
[E] OACT Nat. Assignable FFS Exp Trend Factor				
Aged/non-dual	1.050	1.025	1.000	–
[F] Trended Per Capita Expenditures (\$)				
Aged/non-dual	9,395	9,171	8,500	–
[G] 3-Year Weighted Avg Annual Per Capita Exp (\$)				
Aged/non-dual	3,132	3,057	2,833	9,022



Coding Strategy

- Add Conditions to Problem List
- Assess Problems
- Submit to Medicare on Claim Forms

Strategies to Improve Coding

- Mine Data (Lab Results, Claims, Etc.)
- Educate Providers
- Transition to Add More Specific Diagnoses in Problem List
(Some Common errors include Diabetic Complications,
Obesity, Depression)
- Implement/Enable Electronic Reminders/Notes
- Utilize CCM Claims to Review and Capture
- Generate Gap Report
- Provide Periodic Risk Adjusted Budget/Cost Report

Sample Problem List with HCC

TEST, CARRIE A MRN: 204069 DOB: 08/06/1943 H Phones: (252)514-2061 Directives: Signed (L) FTY: Other: PCP: MURRAY, WARREN
 Pri Ins: PALMETTO GBA MCAPE Age: 72 Years W Phones: (252)514-2061 Allergies: Med & Non Med SSN: 240-98-5215 Other: ACC Patient Dash: (Logon) Δ

CCHC View

CM Declined

Chart Viewer Meds Orders Problem Vitals Allergies Labs Imaging Reminders Health Management Plan

All Problem List

Name	ICD-9	ICD-10	Managed By
Active			
Abdominal pain	789.00	R10.9	VANDALL, AP
Abdominal wall pain in epigastric region	789.05	R10.13	
Adverse Effect Of Radiographic Contrast Material	E947.8		
Alzheimer's disease	331.0	G30.9	
Anemia	285.9	D64.9	Allscripts, Prov
Atrial fibrillation	427.31	I48.91	HAGAN, CARF
Bladder infection	595.9	N50.90	
Blind	369.00	H54.0	HAGAN, CARF
Body mass index 40.0-44.9, adult	V85.41	Z88.41	HAGAN, CARF
Bradycardia, sinus, persistent, severe	427.81	R00.1	HAGAN, CARF
Breath shortness	786.05	R06.02	HAGAN, CARF

Sample HCC Reminder Dashboard

✓ HCC Diagnosis Recapture

Potential RAF: 1.857	Current RAF: 1.434	RAF Gap: 0.423
⊖ Musculoskeletal	M46.96	08/03/2016 RAF: 0.423
☑ HCC40	Rheumatoid Arthritis and Inflammatory Connective Tissue Disease	RAF: 0.423 No Dx 🔍
✓ Psychiatric	F33.9	08/31/2017 RAF: 0.395
✓ Diabetes	E11.29	07/31/2017 RAF: 0.318
✓ Metabolic	E66.01	05/26/2017 RAF: 0.273

Sample HCC Gap Report

	# Pts W/HCC	07/31/2015			07/31/2014			06/30/2015		
		RAF			RAF			RAF		
		Per Chart Dx	Per Chart	Per Claims	Gap	Per Chart	Per Claims	Gap	Per Chart	Per Claims
PCP 1										
A	430	1.37	1.03	0.34	1.28	0.87	0.41	1.43	1.03	0.40
B	488	1.26	0.83	0.43	1.22	0.71	0.51	1.31	0.83	0.48
C	555	1.13	0.81	0.32	1.10	0.76	0.34	1.14	0.79	0.35
D	42	1.17	0.86	0.31	1.14	0.79	0.35	1.21	0.89	0.33
E	436	1.44	1.11	0.33	1.38	0.93	0.45	1.47	1.08	0.40
F	453	1.17	0.88	0.29	1.11	0.69	0.42	1.24	0.85	0.39
	2,404	1.26	0.92	0.34	1.20	0.79	0.41	1.31	0.91	0.40
PCP 2										
A	390	1.24	0.89	0.35	1.18	0.82	0.36	1.27	0.90	0.37
B	10	0.89	0.53	0.36	0.91	0.66	0.25	1.10	0.52	0.58
C	695	1.22	0.90	0.33	1.16	0.75	0.41	1.26	0.88	0.38
D	56	1.09	0.56	0.53	1.00	0.57	0.43	1.15	0.55	0.60
E	671	1.23	0.89	0.34	1.14	0.74	0.40	1.26	0.88	0.38
I	599	1.44	0.97	0.47	1.29	0.86	0.43	1.45	0.93	0.52
J	552	1.26	0.98	0.28	1.21	0.91	0.31	1.31	0.99	0.31
	2,973	1.27	0.91	0.36	1.12	0.76	0.36	1.30	0.91	0.39
Tot:	5,377	1.26	0.89	0.37	1.14	0.70	0.44	1.30	0.91	0.39



- **In concentrated (typically rural) markets, rising risk scores lower the inflation/trend update.**



Questions?

