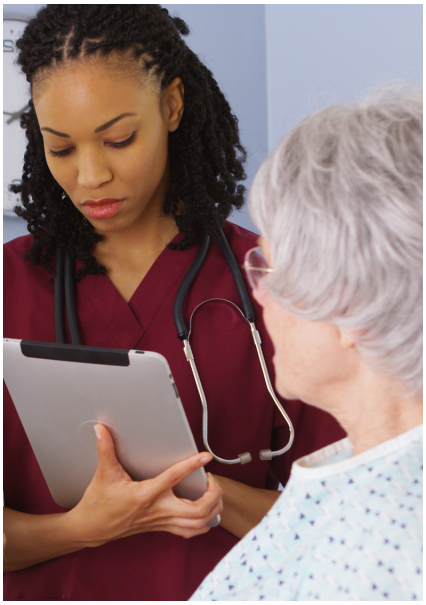
Hierarchical Condition Category Coding & Risk Coding Education

for the Blue Cross Blue Shield of Michigan Organized System of Care (OSC) and Blueprint for Affordability (BFA)

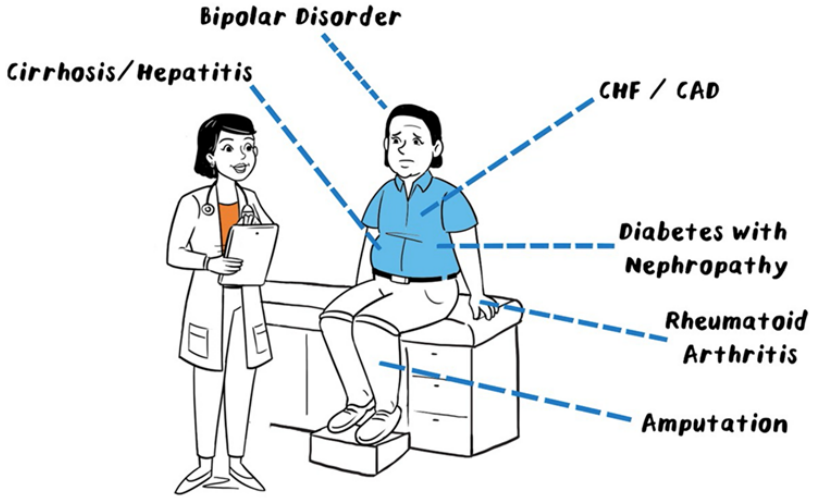


Ninety percent of the nation's **$3.5 trillion** in annual health care expenditures are for people with chronic or mental health conditions. Chronic diseases have significant annual health and economic costs in the U.S. (CDC):

- Heart disease and stroke: **$199 billion**
- Cancer: **$174 billion**
- Diabetes: **$327 billion**
- Obesity: **$147 billion**
- Arthritis: **$304 billion**
- Alzheimer's disease: **$215 billion**

Common Hierarchical Condition Categories (HCC):

- HIV/AIDS
- Cancer
- Diabetes
- Malnutrition
- Morbid Obesity
- Liver Disease
- Rheumatoid Arthritis
- Substance Abuse
- Psychosis
- Dialysis Status
- Ostomy Status
- Amputation Status
- Cardiovascular Disease



HCC diagnosis codes reported on your claims directly influence a patient's risk score.

Systemic conditions/diseases affect the entire body and can play a big role in medical decision-making and in creating a plan of care for your patients.

Follow MEAT Documentation Criteria

What is MEAT? The medical record should include the below to support coding:

Monitoring

- Signs
- Symptoms
- Disease progression
- Disease regression

Evaluating

- Test results
- Effectiveness of medications
- Response to treatment

Assessing/ Addressing

- Ordering tests
- Discussion
- Review of records
- Counseling

Treating

- Medications
- Therapies
- Other modalities

Some items to keep in mind while documenting:

- What other life altering chronic conditions is the patient dealing with every day?
- How are the conditions being managed?
- Do these conditions affect the patient's current treatment plan?
- And what impact does the condition have on the current illness or the reason for the visit today?

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Inadequate Coding		Better Coding		Properly Coded	
64 Yr Old Female (BMI 36)	0.392	64 Yr Old Female (BMI 36)	0.392	64 Yr Old Female (BMI 36)	0.392
Diabetes w/no complications	0.221	Type 2 Diabetes Mellitus w/Diabetic CKD	0.378	Type 2 Diabetes Mellitus w/Diabetic CKD	0.378
Chronic Kidney Disease Stage 4 (severe) (***Not Coded***)	0.000	Chronic Kidney Disease Stage 4 (severe)	0.230	Chronic Kidney Disease Stage 4 (severe)	0.230
Long term use of (current) insulin (***Not Coded***)	0.000	Long term use of (current) insulin	0.121	Long term use of (current) insulin	0.121
Congestive Heart Failure (***Not Coded***)	0.000	Congestive Heart Failure	0.377	Congestive Heart Failure	0.377
Morbid Obesity (***Not Coded***)	0.000	Morbid Obesity (***Not Coded***)	0.000	Morbid Obesity	0.374
Paraplegia, Unspecified (***Not Coded***)	0.000	Paraplegia, Unspecified (***Not Coded***)	0.000	Paraplegia, Unspecified	1.078
Total RAF	**0.613**	**Total RAF**	**1.498**	**Total RAF**	**2.95**

HCC coding examples

Here are some examples of HCC codes and how adding them can increase the risk score for the patient (assuming there is MEAT documentation to support these diagnoses in the visit note):

- You can see in the first column on the left that the diagnoses shaded in gray were not coded for this patient.
- With the addition of these diagnosis codes the RAF score for this patient increased by over 2 points.
- The original RAF score for this patient was lower than 1.0.
- If the patient's risk score is less than 1.0 they are considered to be relatively healthy.
- Each year CMS publishes a "denominator" that assists in converting the risk scores to dollar amounts.
- Multiplying the risk score by this denominator produces an estimated annual cost for the patient.
  - Depending on demographics, a patient at a RAF score of 1.0 will cost the payor roughly $10,000 per year.
  - We see that the correct RAF score for this patient is 2.95 equaling over an estimated $30,000 per year in cost.
  - The gap in predicted cost for the payor is over $20,000 for this patient for one year.

Remember...

- There is a difference between the primary diagnosis for the visit and additional diagnoses; as with the case of most HCC codes.
- The primary diagnosis must have documentation to support the medical necessity of the visit and the condition must be directly assessed during the visit.
- For HCC coding and all additional diagnoses, the condition does not need to be directly treated during the visit as long as one aspect of MEAT documentation is in the visit note.

Example documentation

Major Depression: Patient follows with psychiatrist; compliant on oral medications; reports stable mood