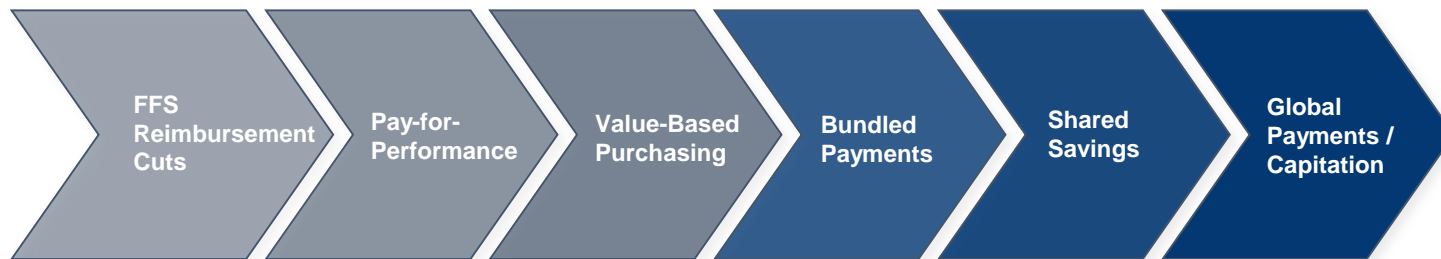


# **Medicare ACOs Need to Get the Right Benchmarks to be Successful in Risk Pathways ACOs**

**May 9, 2019**

# Shifting Risk

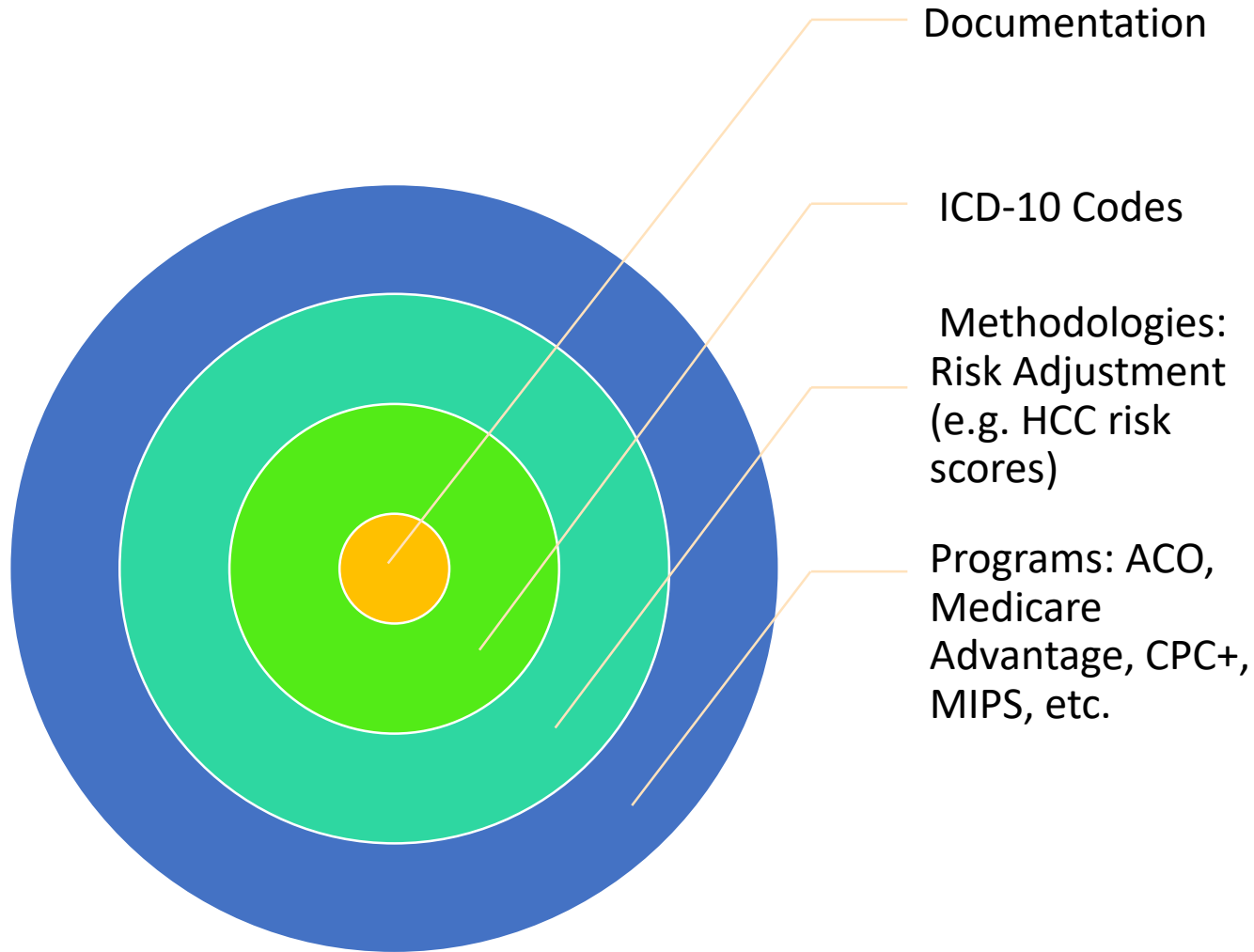


- Consumers
- Employers
- Health Plans
- Government Payers



- Physicians
- Medical Groups
- Hospitals
- Other Providers

# Documentation at the Core





# CMS-HCC Methodology

# Current CMS-HCC Model Characteristics

Characteristic	Descriptions
Prospective Model	Uses diagnostic information from a base year to predict Medicare benefit costs for the following year
Diagnostic Sources	Model recognizes diagnoses from hospital inpatient, hospital outpatient, and physician settings
Multiple Chronic Diseases Considered	Risk adjusted payment based on assignment to disease groups (Condition Categories [CCs]). <ul style="list-style-type: none"><li>• Most CCs represent chronic conditions</li></ul>
Demographic Variables	Demographic factors include age, sex, original reason for entitlement, Medicaid or low-income status, disability status
Models are Additive	Individual risk scores calculated by adding coefficients associated with each beneficiary's demographic factors and Condition Categories

Adapted from: Centers for Medicare and Medicaid Services. Medicare Managed Care Manual. Chapter 7 – Risk Adjustment, 70 – Risk Adjustment Models – Overview.

# Current CMS-HCC Model Structure

Structure	Details
Hierarchical	<p>65% of all HCCs exist in clinically related family of HCCs that are ranked by severity or cost dominance within a hierarchy</p> <ul style="list-style-type: none"><li>• When <math>\geq 2</math> HCCs within a hierarchy are reported for a patient in a calendar year only highest ranked/most severe HCC that is triggered is reported for a patient each year<ul style="list-style-type: none"><li>• Process is called “trumping”</li></ul></li></ul>
Additive	<p>Unrelated HCCs are cumulative</p>
Disease Interactions	<p>Certain combinations of diseases have been demonstrated to increase costs of care.</p> <p>The model incorporates additional relative factors for disease interactions</p> <ul style="list-style-type: none"><li>• Are additive factors and increase payment accuracy</li></ul>

Adapted from: Watson, M. "Documentation and Coding Practices for Risk Adjustment and Hierarchical Condition Categories." Journal of AHIMA 89, no.6 (June 2018): extended online version.

# Risk Adjustment: CMS-HCC Model

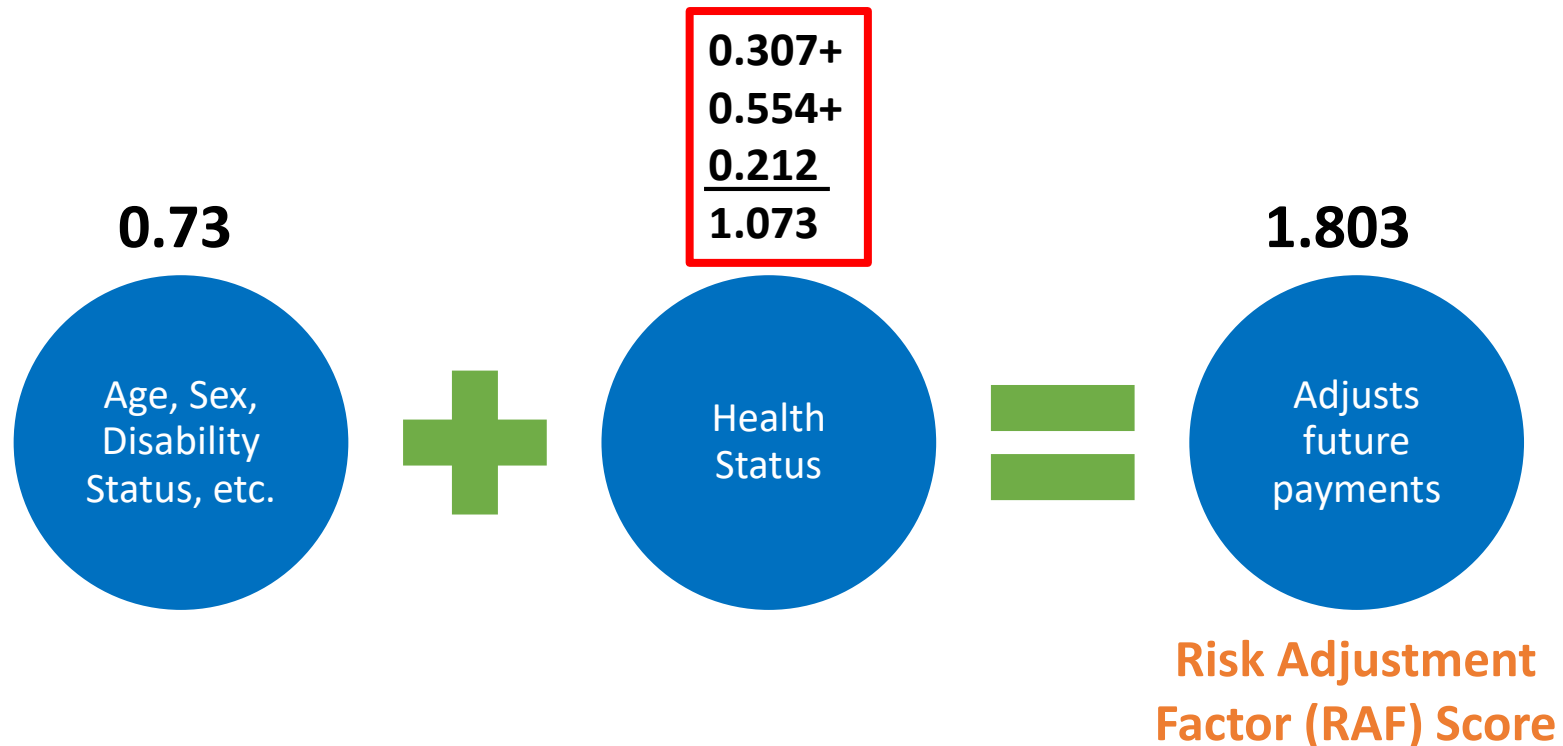
- A coefficient or “weight” is assigned to each category of chronic complex diagnoses as well as severe acute diagnoses.
- HCCs involving unrelated conditions are cumulative.

HCC Category	Description Label	Coefficient
HCC 1	HIV/AIDS	0.344
HCC 2	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	0.428
HCC 6	Opportunistic Infections	0.446
HCC 8	Metastatic Cancer and Acute Leukemia	2.654
HCC 9	Lung and Other Severe Cancers	1.027
HCC 10	Lymphoma and Other Cancers	0.675
HCC 11	Colorectal, Bladder, and Other Cancers	0.309
HCC 12	Breast, Prostate, and Other Cancers and Tumors	0.153
HCC 17	Diabetes with Acute Complications	0.307
HCC 18	Diabetes with Chronic Complications	0.307
HCC 19	Diabetes without Complications	0.106
HCC 21	Protein-Calorie Malnutrition	0.554
HCC 22	Morbid Obesity	0.262
HCC 23	Other Significant Endocrine and Metabolic Disorders	0.212
HCC 27	End-Stage Liver Disease	0.913
HCC 28	Cirrhosis of the Liver	0.381

← 0.307+  
 ← 0.554+  
 ← 0.212  
 ← 1.073

# Current CMS-HCC model structure

- A coefficient or "weight" is assigned to each category of chronic complex diagnoses as well as severe acute diagnoses.
- Each unrelated HCC that applies is additive.

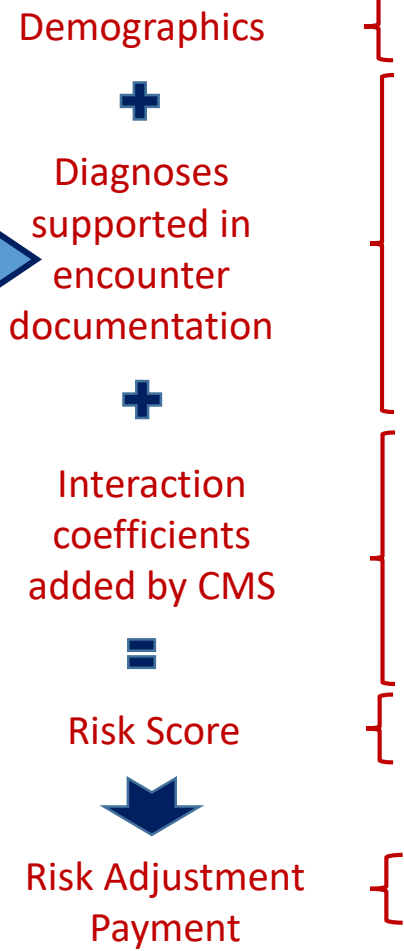




# How it All Adds UP!

Roberta Smith's clinical picture Type II Diabetic with CKD stage 5, Chronic Diastolic CHF, & COPD

Provider Impact – based on specificity and comprehensive documentation



All condition precisely documented	
84 year old female – Nondual Aged	.540
COPD J44.9 (HCC 111)	.335
Diabetes w/ diabetic CKD E11.22 (HCC 18)	.307
CKD Stage 5 N18.5 (HCC 136)	.284
Chronic Diastolic CHF I50.32 (HCC 85)	.310
Disease Interaction (DM + CHF)	.152
Disease Interaction (CHF + RF)	.202
Disease Interaction (CHF + COPD)	.191
<b>Total RAF score</b>	<b>2.321</b>
<b>PMPM Payment</b>	<b>\$1,857</b>
<b>Annual Payment</b>	<b>\$22,282</b>

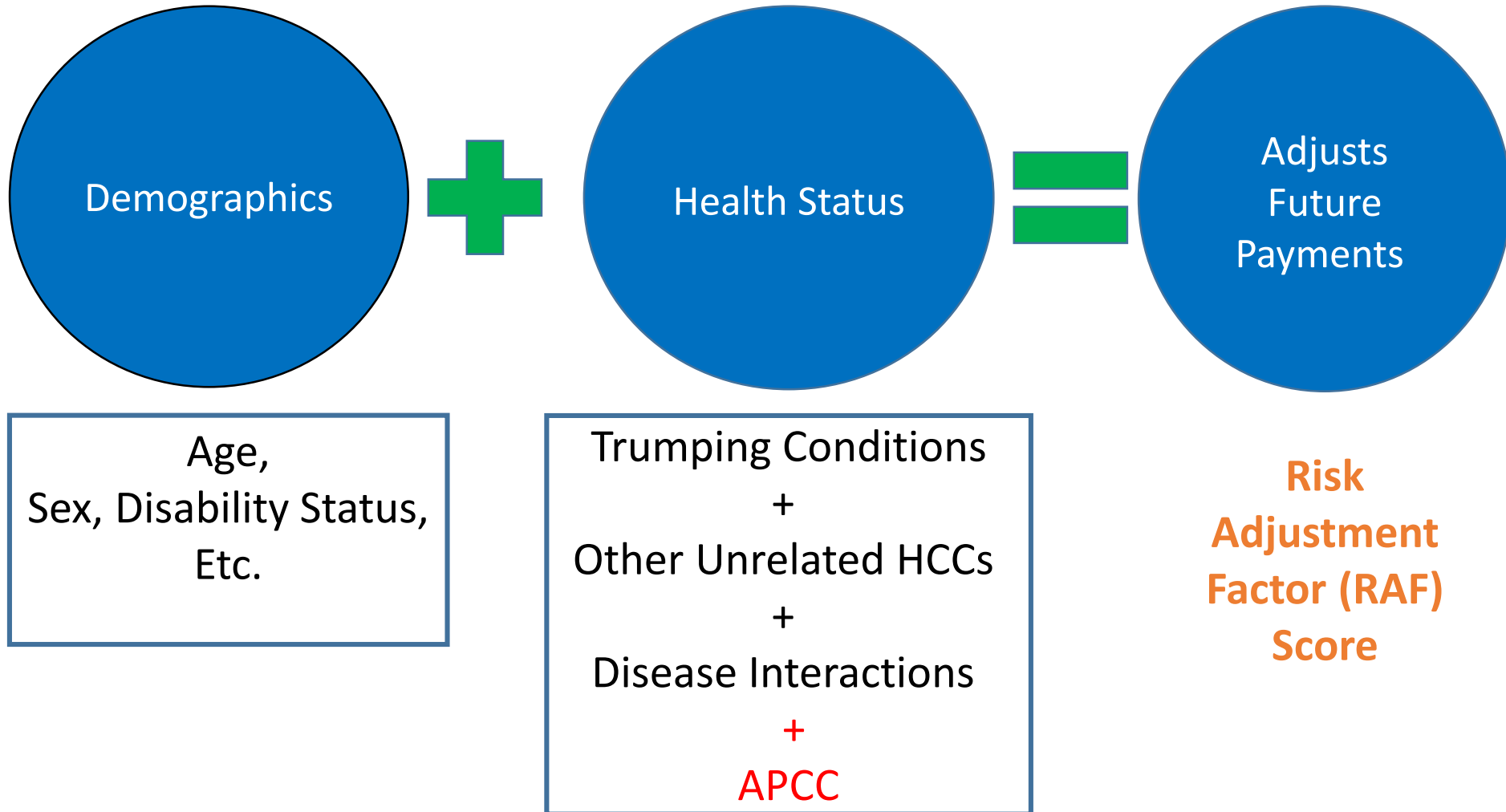
Current 2019 v.23

\$800 base rate



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# 2020 CMS-HCC model structure



# Alternative Payment Condition Count (APCC)

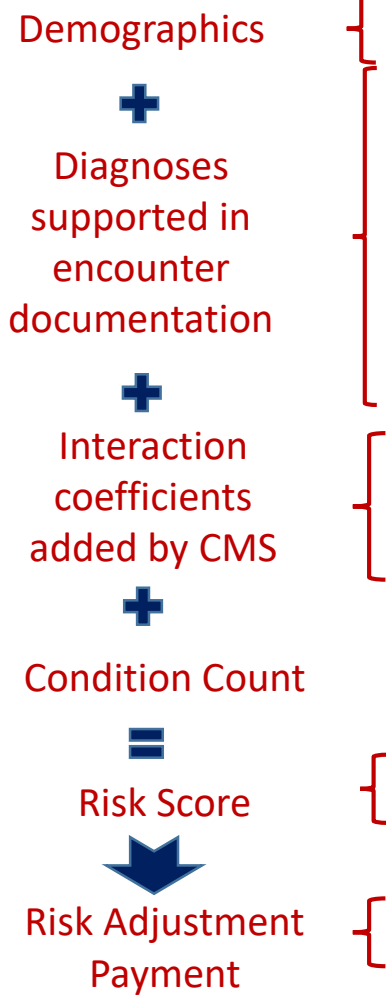
Payment HCC Counts	Description Label	Community, Nondual, Aged Population (Continuous Enrollment)	
<4	1-3 payment HCCs	0	
4	4 payment HCCs	0.006	{ 0.036
5	5 payment HCCs	0.042	{ 0.035
6	6 payment HCCs	0.077	{ 0.049
7	7 payment HCCs	0.126	{ 0.088
8	8 payment HCCs	0.214	{ 0.044
9	9 payment HCCs	0.258	{ 0.247
≥10	10 or more payment HCCs	0.505	

Source: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2020.pdf>

# How it All Adds UP!

Roberta Smith's clinical picture Type II Diabetic with CKD stage 5, Chronic Diastolic CHF, & COPD

Provider Impact – based on specificity and comprehensive documentation



All condition precisely documented	
84 year old female – Nondual Aged	.528
COPD J44.9 (HCC 111)	.335
Diabetes w/ diabetic CKD E11.22 (HCC 18)	.302
CKD Stage 5 N18.5 (HCC 136)	.289
Chronic Diastolic CHF I50.32 (HCC 85)	.331
Disease Interaction (DM + CHF)	.121
Disease Interaction (CHF + RF)	.156
Disease Interaction (CHF + COPD)	.155
D4 – 4 payment HCCs	.006
<b>Total RAF score</b>	<b>2.223</b>
<b>PMPM Payment</b>	<b>\$1,778</b>
<b>Annual Payment</b>	<b>\$21,341</b>

v.23 w APCC

\$800 base rate



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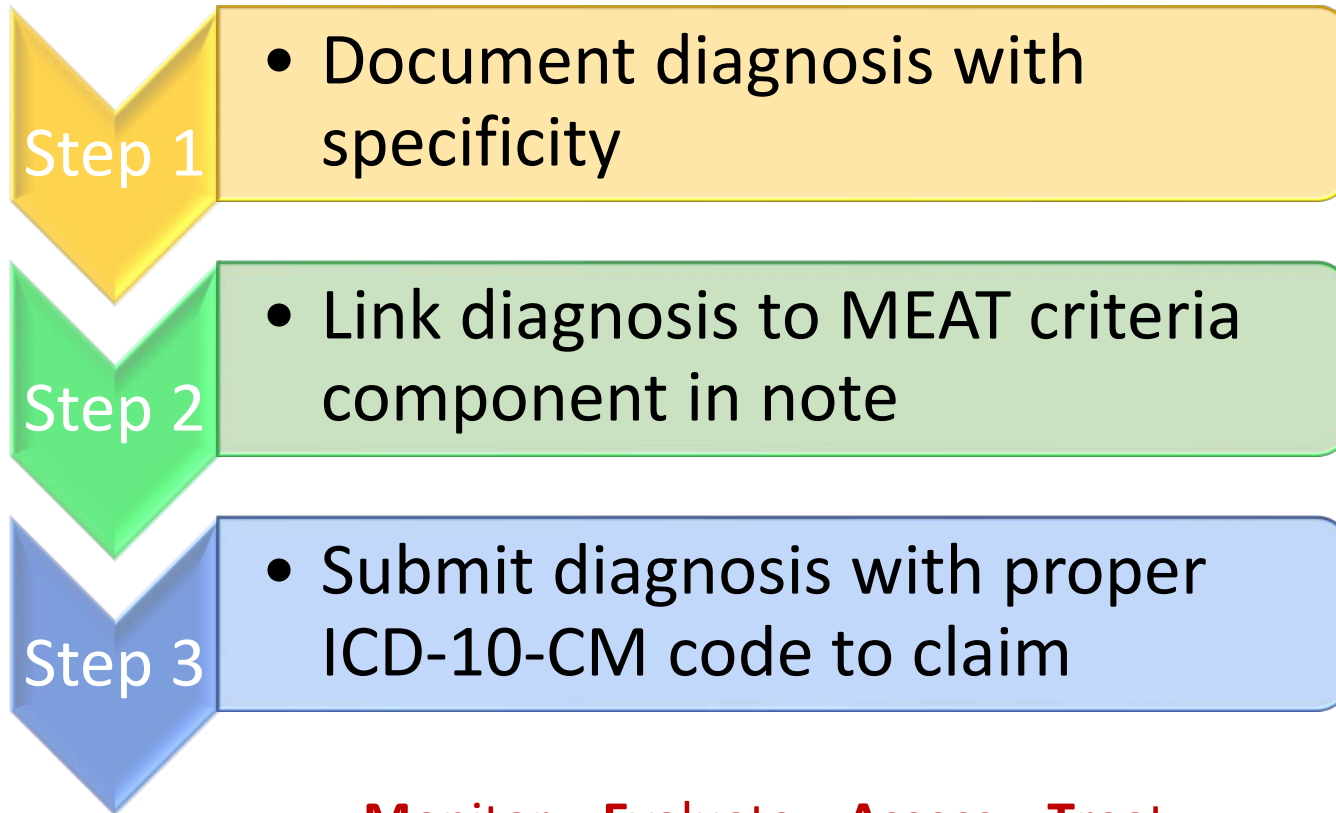
# 2020 Changes to CMS-HCC Risk Adjustment Methodology: Alternative payment condition count model (APCC)

## Hierarchy involving new HCCs for **Dementia** and **Pressure Ulcers**

HCC	HCC Title	Trumps
51	Dementia with Complications (2020 HCC)	52
52	Dementia without Complications (2020 HCC)	none
157	Pressure Ulcer of Skin with Necrosis Through to Muscle, Tendon, or Bone	158, 159, 161
158	Pressure Ulcer of Skin with Full Thickness Skin Loss	159, 161
159	Pressure Ulcer of Skin with Partial Thickness Skin Loss (2020 HCC)	161
161	Chronic Ulcer of Skin, Except Pressure	none

Source: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2020.pdf>

# Documentation Requirements for HCC Assignment



# What should you be doing now?

- Engage your providers!
  - How do you do that?
- Keep apprised of changes
  - How do you do that?
- Start education now for 2020 changes
  - Why do that?
- Start building processes to support HCC capture
  - Why do that?

