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ANALYTICS INSTITUTE**

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Educational Webinar Series

HOUSTON
Methodist[®]
LEADING MEDICINE

How Houston Methodist ACO is Cracking the Code on HCCs

Tuesday, December 2nd

Speakers: Wajiha Waheed, HMCC Director of Finance and Operations, Emily Hightower, HDAI Manager of Population Health and Himasagar Molakapuri, HDAI Senior Data Scientist

Today's Speakers



Wajiha Waheed, Director of
Finance and Operations,
Houston Methodist
Coordinated Care ACO



Emily Hightower, MSN,
RN, CPN, Manager of
Population Health, HDAI



Himasagar Molakapuri,
Senior Data Scientist, HDAI



- 70-employee predictive analytics and generative AI company based in Boston
- Partnering with **Houston Methodist, Cleveland Clinic, Dana-Farber, and value-based care organizations** across the country
- We leverage our **privileged access to all Medicare claims since 1999 to analyze performance** across healthcare
- We have **developed predictive models for hundreds of outcomes and generate millions of predictions** for our customers each week
- **EHR-embedded platform** that incorporates any available structured and unstructured EHR data, claims, and other sources
- **Network and performance analytics** that rigorously assess providers, hospitals, and other facilities
- **Advanced, predictive clinical workflows** to target key opportunities
- **Single-page patient Spotlights** that consolidate what's most relevant in the chart
- **AI-driven care and operational summaries** using sophisticated generative AI models

HDAI's HealthVision™ Platform is Fueled by Privileged Access to the Country's Largest and Best Longitudinal Data Set

Big Data

Entire CMS database

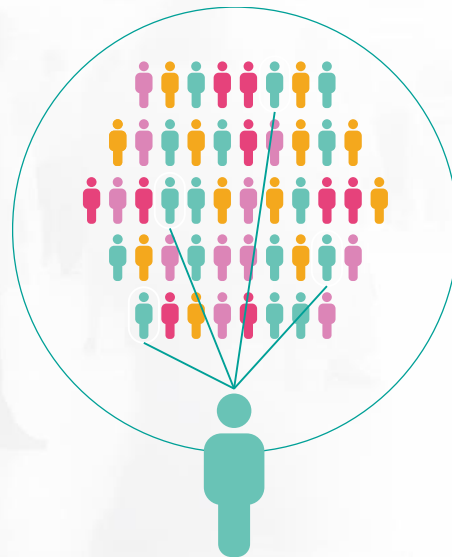
Updated Monthly

140+ million patients

500+ billion encounters

25 years longitudinal records

Digital Twinning



Our digital twinning methodology delivers high value and actionable precision insights

Foundation Large Predictive Models (LPM)

Hundreds of predictive models for outcomes, utilization, and cost

Published peer-reviewed methodology

Fully transparent and explainable

Agenda

- HDAL's Strategy for High Impact HCC Capture
- Case Study: Accelerating HCC Recapture
- Q&A

Houston Methodist Coordinated Care | MSSP ACO 2025 Stats

GROWTH

Largest
Medicare ACO
in Houston



≈ 54,000
CMS Attributed
Medicare Patients

EXCELLENCE

High Performing
HMCC ACO Primary
Care Network



300+ PCPs
Primary Care
Practices

PATIENT CENTERED

Continuity of Care with
PCPs, Case Managers,
Nurses & Pharmacists



HMCC ACO
Multi-disciplinary
Team Approach

QUALITY

#2 Nationally

Quality Performance
Academic Medical
Centers



95.6%
Quality
Score

SUCCESS

#1 Nationally

Average Savings Per Patient
Academic Medical
Centers



\$50.4 M
Earned Shared
Savings

How Does HMCC Support Physicians in Documentation, Coding and Risk Adjustment?

Patient Assessment Tools and Resources

- Provides physicians visibility into HCC coding **patient level, physician level, and practice level.**
- These tools help physicians and care teams spot unaddressed or under-documented chronic conditions
- The HCC coding process is built into the routine workflow (during patient visits or chart review), physicians don't need to rely solely on memory or manual audits to know which patients need documentation review.

Data Analytics and Population Health Support

- Collaborates with external analytic partners to **aggregate and analyze patient and claims data.**
- This analytics support helps target patients whose chronic conditions may not be fully captured in the record enabling the ACO to prioritize outreach, follow-up, or chart reviews.
- By doing this systematically, HMCC can improve risk-adjustment accuracy — which supports better shared savings and reinvestment into patient care and care coordination

Practice-level Support, Workflows and Education

- Offers support for physicians in quality programs, value-based care participation, and documentation/ quality improvement with **monthly scheduled in-person meetings**
- HMCC invests in “clinical infrastructure and resources,” including IT tools, care coordinators, and care managers, which reduces the burden on individual physicians and supports stronger care coordination for the patients leading to improved documentation and chronic care management.

HMCC's ultimate goal is to ensure that patient risk is accurately documented for the ACO to deliver the highest quality, best coordinated, financially sustainable care.

HDAI's Strategy for High Impact HCC Capture

Hierarchical Condition Categories (HCCs) Primarily Drive the Total Risk Adjustment Factor (RAF) Score

HCCs (~60-70%)

- 7,770 ICD-10 diagnosis codes that map to 115 clinical categories
- Each HCC has a “weight” (effectively a coefficient in a RAF calculation)

Demographic Status (~ 30-40%)

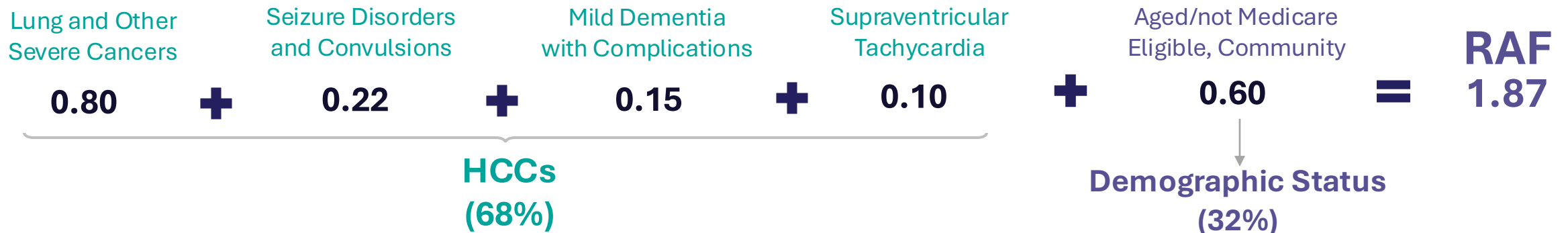
Enrollment Category

- Aged/not Medicare-eligible
- Aged/Medicare-eligible
- Disabled
- End-stage renal disease

Institutional Status

- Community-dwelling
- Institutionalized

Example of Total RAF



ACOs Regularly Miss HCC Compensation for Complex Patients

	HCC RAF GAP	Capture History			
		2022	2023	2024	2025
72-year-old male with HIV	0.17	√	√	√	X
65-year-old Female with Cystic Fibrosis	0.87	√	√	√	X
80-year-old male with End Stage Heart Failure	0.40	√	√	√	X

Huge Room to Improve Capture Rates

National Annual Recapture Rate for Select HCCs

Among patients who had the HCC documented in each of the 3 previous years

HCC	National Annual Recapture Rate
Heart Transplant Status/Complications	96%
HIV/AIDS	94%
Parkinson and Other Degenerative Disease of Basal Ganglia	87%
Dialysis Status	84%
Cystic Fibrosis	78%
End-Stage Heart Failure	70%

We surface the most clinically relevant and high RAF impact HCCs for each patient

Search

Captured vs. Expected: -0.39 

Last AWW: 05/15/2025

☐ Display Gaps only ☐ Display Forever only ☐ Diagnosed by other providers only

[About our data >](#)

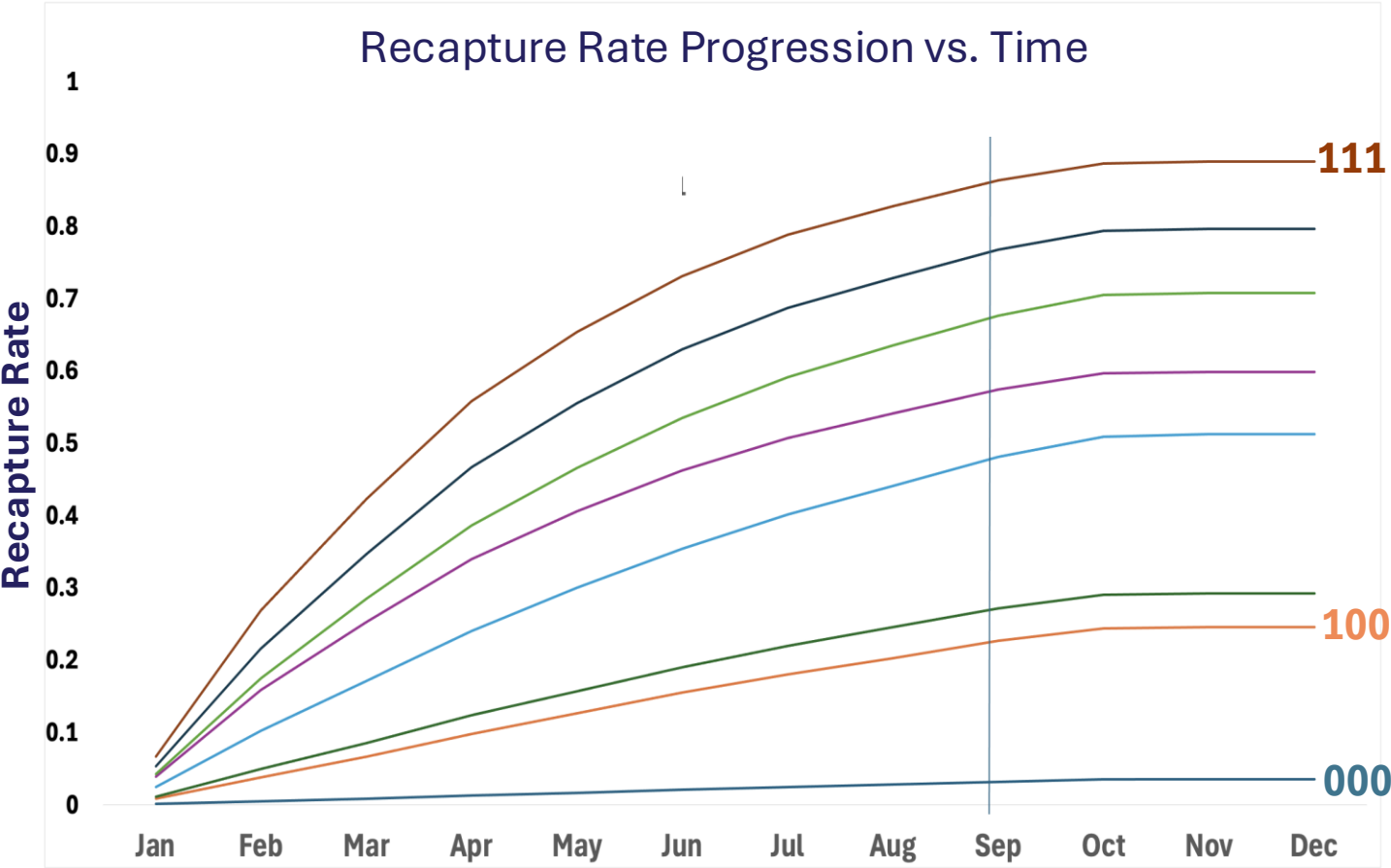
HCC ▲	2022	2023	2024	2025	Annual	Year-to-date	Captured HCC	Gap	Weighted Gap
> Cardio-Respiratory Failure and Shock	✓	🔄	✗	✗	40.3%	34.3%	0	0.41	0.14
> Chronic Obstructive Pulmonary Disease and Other Chronic Lung Disorders	🔄	🔄	✗	✗	58.4%	50.1%	0	0.17	0.08
> Chronic Ulcer of Skin, Except Pressure, Not Specified as Through to Bone or Muscle	🔄	🔄	✗	✗	28.9%	22.8%	0	0.57	0.13
✓ Heart Failure, Except End-Stage and Acute	✓	✓	✗	✗	54.2%	46.6%	0	0.36	0.17
└ III.0: Hypertensive heart disease with heart failure	✓	✓	✗	✗					
└ I50.9: Heart failure, unspecified	✓	✓	✗	✗					

Not All RAF HCC Codes are Equal

Twin-based Expected National Capture Rate of **Heart Failure, Except End-Stage and Acute**

HCC Capture Distribution Table for an Actual Mid-level Performing ACO					
1 = Captured			0 = Not Captured		
Capture Pattern	2022	2023	2024	% Patient count	Avg. Recapture Rate
000*	0	0	0	9%	0.3%
100	1	0	0	7%	23%
010	0	1	0	9%	29%
110	1	1	0	4%	58%
001	0	0	1	20%	70%
101	1	0	1	3%	66%
011	0	1	1	16%	77%
111	1	1	1	32%	88%
Aggregate					63%

* Patients with no history of HF and a new HF HCC in 2025

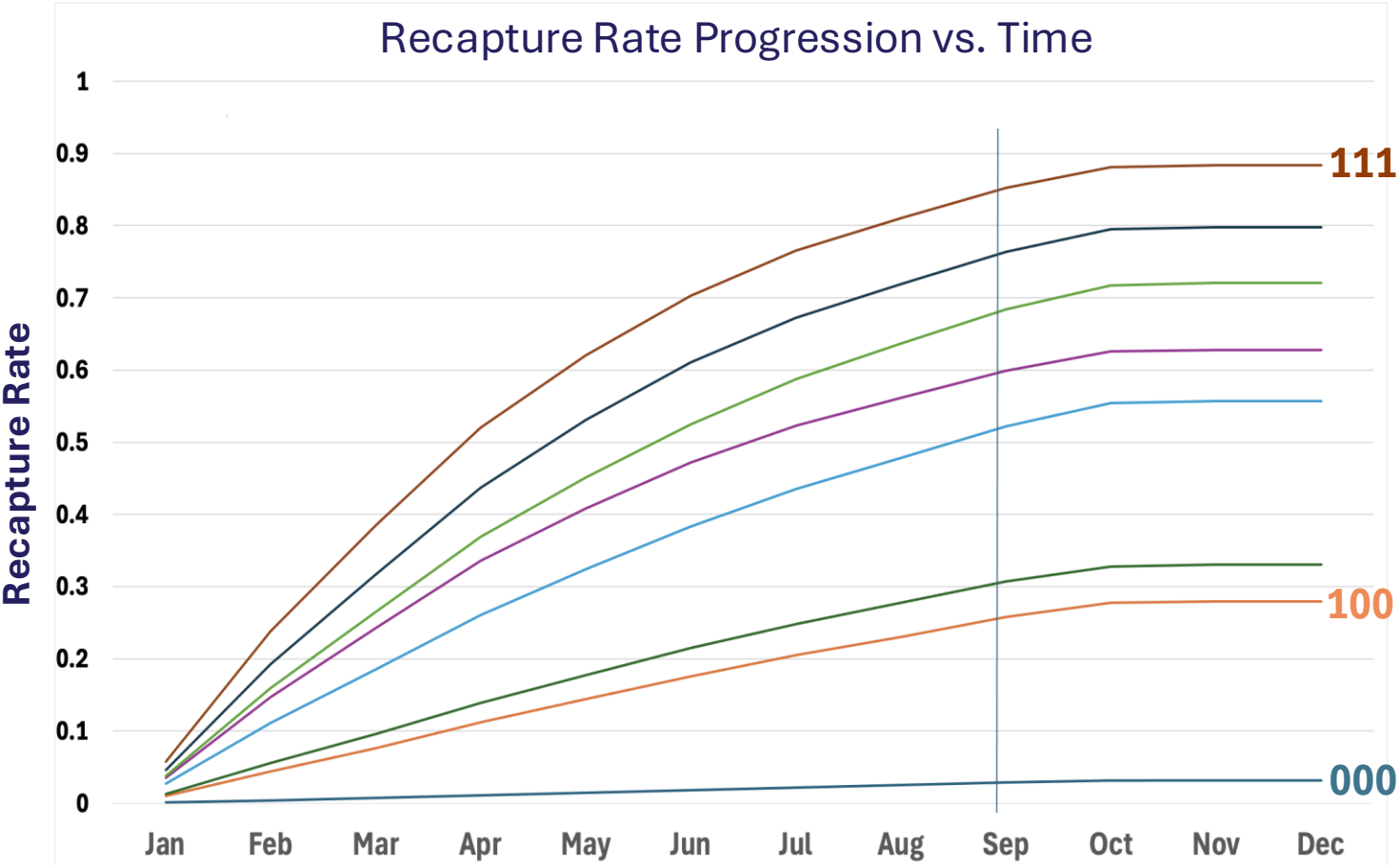


Not All RAF HCC Codes are Equal

Twin-based Expected National Capture Rate of **Diabetes without Complications**

HCC Capture Distribution Table for an Actual Mid-level Performing ACO					
1 = Captured			0 = Not Captured		
Capture Pattern	2022	2023	2024	% Patient count	Avg. Recapture Rate
000*	0	0	0	3%	0.2%
100	1	0	0	4%	23%
010	0	1	0	4%	50%
110	1	1	0	5%	60%
001	0	0	1	9%	70%
101	1	0	1	3%	66%
011	0	1	1	10%	77%
111	1	1	1	61%	88%
Aggregate					76%

* Patients with no history of DWoC and a new DWoC HCC in 2025



HDAI Solves for the HCC Recapture Problem

Challenge with Existing Implementations

Providers don't know which HCCs to focus on for a given patient (and instead are asked to recapture every code)

Many alternatives focus on helping at the physician note level, without identifying physicians and groups that need support

No good mechanism to understand mid-year how an ACO, group, or provider is doing

The transition from HCC v24 to v28 complicates HCC implementations and provider education

Providers resist a focus on HCC as an entirely financially driven initiative

Our Solution

HDAI only surfaces clinically appropriate and high-impact HCCs, guided by weekly expected-recapture predictions from national “twins.”

We offer insights from the patient level to providers, groups, and the ACO or plan overall

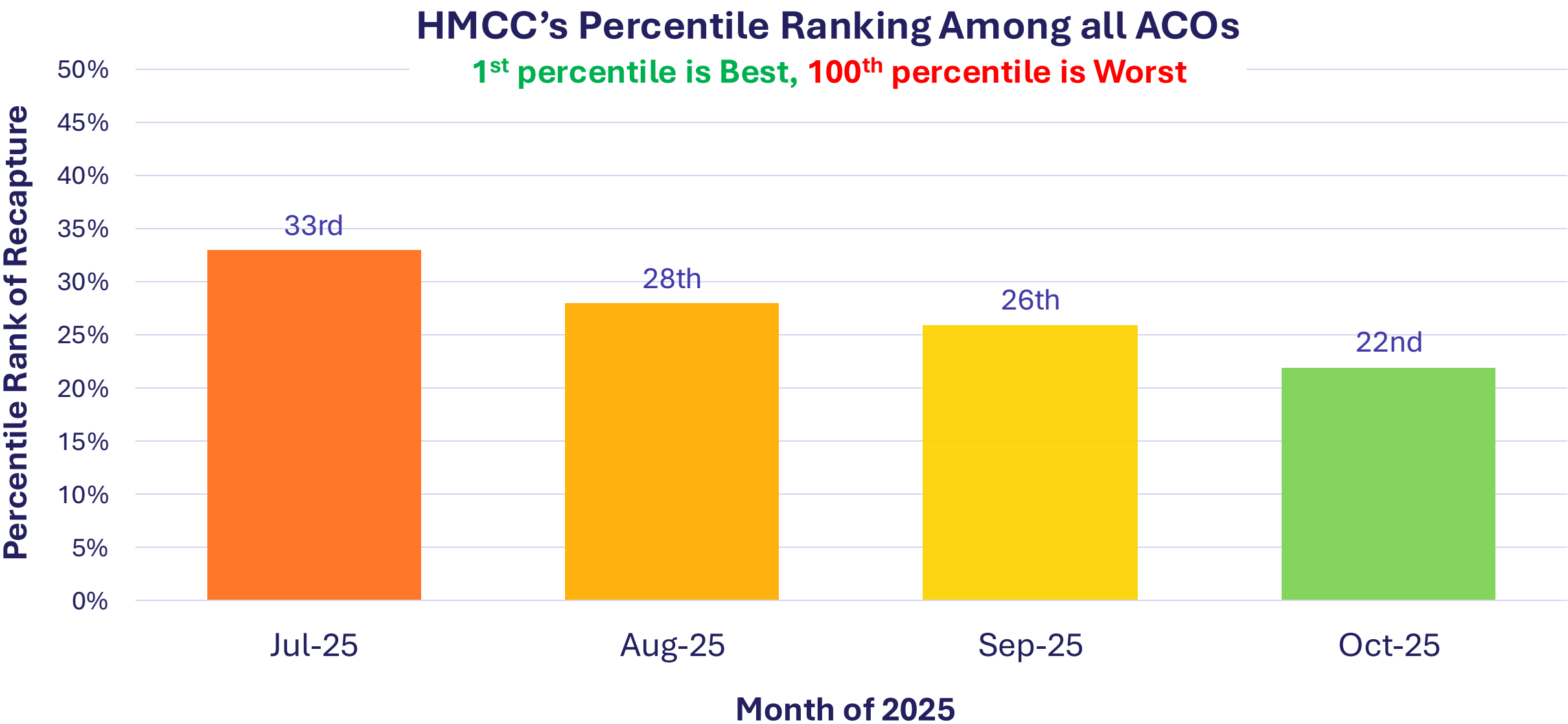
We offer end-of-year and weekly expected recapture rates so we can offer value early in the year

HDAI's composite HCC groups provide a stable, version-agnostic structure that simplifies implementation and keeps provider education consistent

HDAI aligns HCC recapture with real clinical needs - so ACOs are compensated fairly while delivering better care.

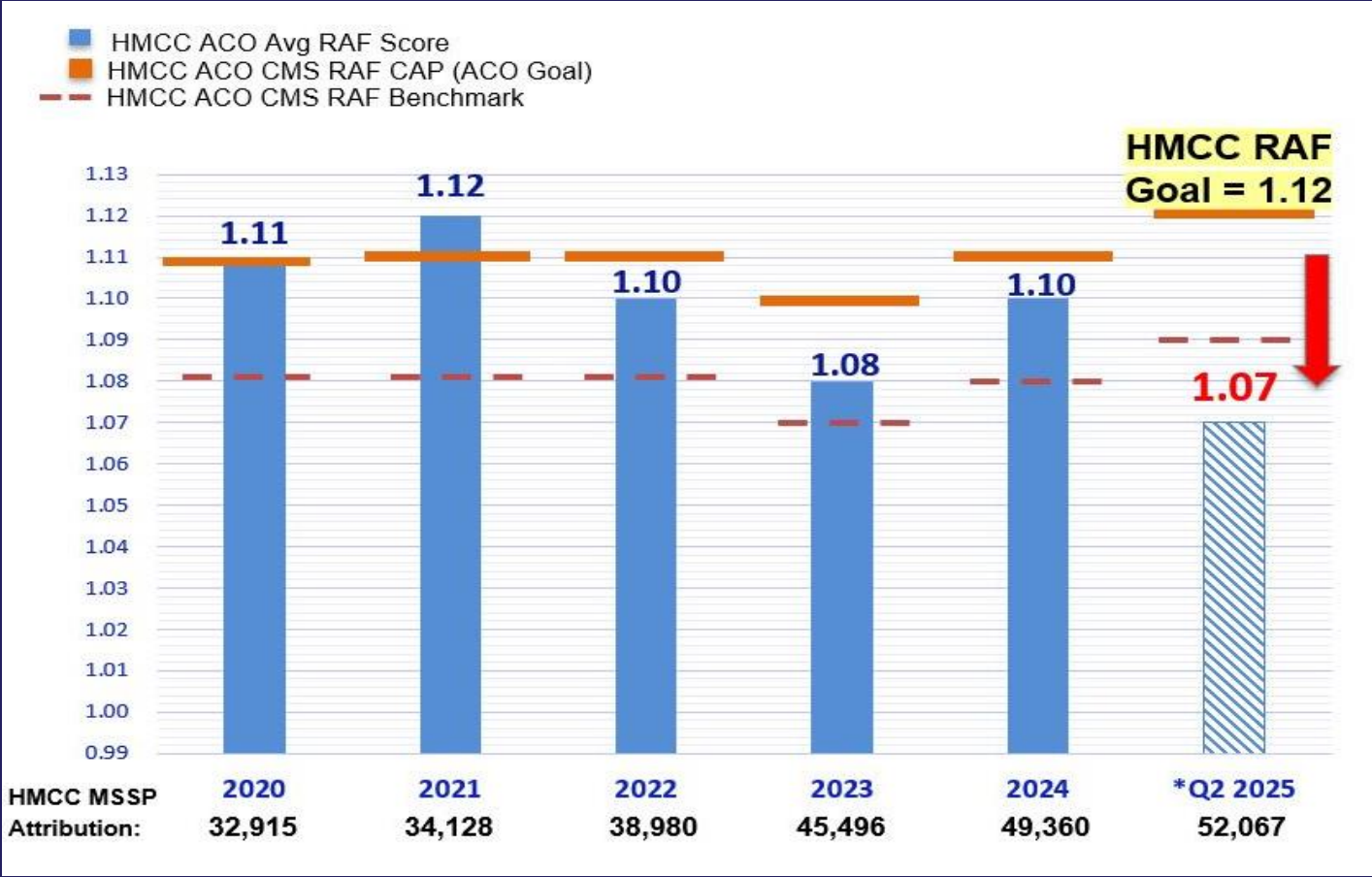
Accelerating HCC Recapture at Houston Methodist Coordinated Care ACO

HMCC Saw an 11 Percentile Rank Improvement in HCC Recapture



HMCC's HCC Challenge

2025 RISK ADJUSTMENT DROP DUE TO MSSP PROGRAM RENEWAL



1% Increase ≈ \$6.8 million 1% Decrease ≈ \$4.6 million

CMS Final Reconciliation 2020 – 2024
Evolent RAF Q2 2025 Forecast Report based on claims data Jan-June 2025
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HMCC ACO Strategies to Improve RAF

Tools & Resources

- Best Practice Advisory (BPA) Tool for EPIC Practices
- Annual Patient Assessment forms provided to Non-EPIC practices (3x annually)
- HMCC ACO 2025 RAF & HCC Coding Booklet
- HMCC ACO 2025 Risk Adjustment Coding Pocket Card
- HCPRO Risk Adjustment Documentation 1 Hour Course (Houston Methodist LMS/Web; available 24-7; free of cost)

2025 Initiatives

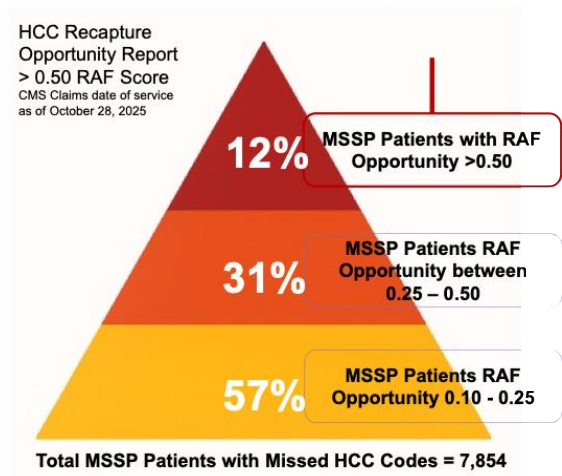
- Health Data Analytics Institute (HDAI) **New**
HCC Recapture AI based patient level reports identifying missed chronic conditions based on claims with a 3-year history of billed claims
- Patient Chart Coding Review based on AI coding technology (select private ACO physicians with RAF scores less than 1.00) **New**
- Patient Claims Coding Review performed for select ACO physicians with RAF scores less than 1.00 **New**

Build Buy-in, Drive Action: Educate, Support, and Monitor

A

Educate

- In-person/Staff Meetings
- Online Portals



B

Encourage HCC Review

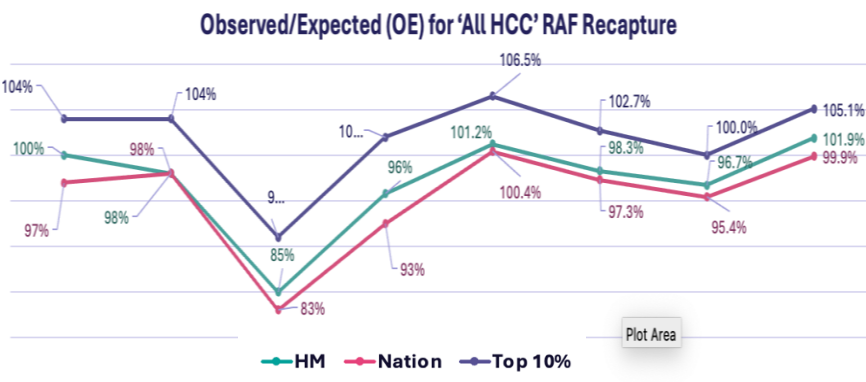
- PDF of patient-level HCC details

HCC Recapture Opportunity Report						
DATE	***Updated as of 2025_10_31***					
PROVIDER						
Patient (Enrollment Type)		RAF Opportunity (Gap)	Latest Annual Wellness Visit	2024	2023	2022
Patient 1 (DISABLED)		1.50	05/28/2025			
0.04_Diabetes with Severe Acute Complications				Y	Y	N
E0800: Diab d/t undrt cond w hyposm w/o nonket hygrly-hypos coma						
0.28_Fibrosis of Lung and Other Chronic Lung Disorders				N	Y	N
J8410: Pulmonary fibrosis, unspecified						
1.27_Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero				N	Y	N
D571: Sickle-cell disease without crisis						
Patient 2 (AGED NON DUAL)		1.10				
0.26_Specified Heart Arrhythmias (Except Supraventricular Tachycardia)				Y	N	N
I4891: Unspecified atrial fibrillation						
0.41_Heart Failure, Except End-Stage and Acute				Y	Y	Y
I5032: Chronic diastolic (congestive) heart failure						
0.42_Spinal Cord Disorders/Injuries				Y	N	N
Q079: Congenital malformation of nervous system, unspecified						
Patient 3 (AGED NON DUAL)		1.07				
0.21_Ulcerative Colitis				N	Y	N
K5140: Inflammatory polyps of colon without complications						
0.32_Heart Failure, Except End-Stage and Acute				Y	N	N
I110: Hypertensive heart disease with heart failure						
0.54_Rheumatoid Arthritis and Other Specified Inflammatory Rheumatic Disorders				Y	Y	N
M450: Ankylosing spondylitis of multiple sites in spine						
Patient 4 (AGED NON DUAL)		0.85				
0.85_Chronic Liver Failure/End-Stage Liver Disorders				Y	N	N
K766: Portal hypertension						

C

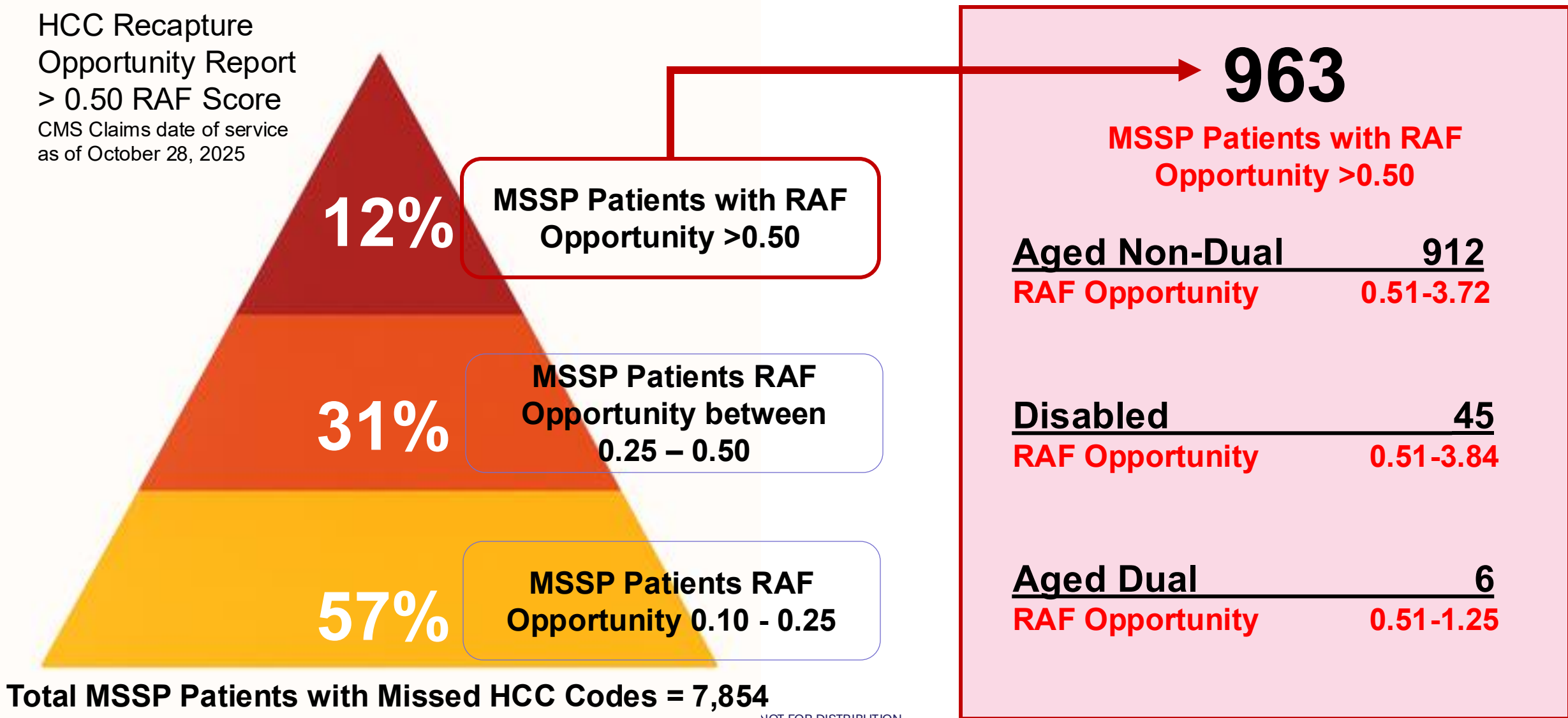
Monitor

- Monthly review of performance against goal



Educate – Why Is RAF Capture Worth the Effort?

28% REDUCTION IN RAF OPPORTUNITIES UTILIZING NEW REPORT



NOT FOR DISTRIBUTION

Nudge – Each MD Gets a List of High Impact Patients

PHYSICIAN/APP RAF OPPORTUNITY REPORT

HCC Recapture Opportunity Report						
DATE	***Updated as of 2025_10_31***					
PROVIDER						
Patient (Enrollment Type)			RAF Opportunity (Gap)	Capture History		
				Latest Annual Wellness Visit	2024	2023
Patient 1	DISABLED	1	1.59	05/28/2025		
0.04__ Diabetes with Severe Acute Complications					Y	Y
E0800: Diab d/t undrl cond w hyprosm w/o nonket hyprgly-hypros coma						N
0.28__ Fibrosis of Lung and Other Chronic Lung Disorders					N	Y
J8410: Pulmonary fibrosis, unspecified						N
1.27__ Sickle Cell Anemia (Hb-SS) and Thalassemia Beta Zero					N	Y
D571: Sickle-cell disease without crisis						N
Patient 2	AGED NON DUAL		1.10			
0.26__ Specified Heart Arrhythmias (Except Supraventricular Tachycardia)					Y	N
I4891: Unspecified atrial fibrillation						N
0.41__ Heart Failure, Except End-Stage and Acute					Y	Y
I5032: Chronic diastolic (congestive) heart failure						Y
0.42__ Spinal Cord Disorders/Injuries					Y	N
Q079: Congenital malformation of nervous system, unspecified						N
Patient 3	AGED NON DUAL		1.07			
0.21__ Ulcerative Colitis					N	Y
K5140: Inflammatory polyps of colon without complications						N
0.32__ Heart Failure, Except End-Stage and Acute					Y	N
I110: Hypertensive heart disease with heart failure						N
0.54__ Rheumatoid Arthritis and Other Specified Inflammatory Rheumatic Disorders					Y	Y
M450: Ankylosing spondylitis of multiple sites in spine						N
Patient 4	AGED NON DUAL		0.85			
0.85__ Chronic Liver Failure/End-Stage Liver Disorders					Y	N
K766: Portal hypertension						N

1. Patient Enrollment Type

(CMS 4 Risk Segments: Aged Non- Dual; Aged Dual, Disabled, ESRD)

2. RAF Opportunity Weight

MSSP patients sorted by highest risk opportunity gaps per patient to the lowest risk gaps per patient

These codes have not been captured as of Medicare Claims Billed Oct 31, 2025

3. Capture History

indicates conditions coded prior years with **Y**es & **N**o as a guide

4. If Applicable, Must Drop

Code in Medicare Claims by 12/31/25

Empower, Educate, and Celebrate

2025 HMCC ACO Primary Care Practice HONOR ROLL

Honor Roll End Date September 30, 2025

	Category	Criteria	Point/s
Risk Adjustment	RAF Max = 3	✓ Practice RAF score is at or above 2025 HMCC ACO CMS CAP (1.12)	3
		✓ Practice RAF score is at or above 2025 Q2 HMCC ACO Average (1.07)*	2
ACO Quality Metrics <u>All Patients</u>	Quality Max = 2	✓ HMCC ACO Practice Quality Performance Rate is at 70% or higher for each of the 4 Metrics: Controlled Diabetes, Breast Cancer Screening, Depression Screening & Controlled High Blood Pressure	2
		✓ HMCC ACO Practice Quality Performance Rate is at 60% or higher for each of the 4 Metrics: Controlled Diabetes, Breast Cancer Screening, Depression Screening & Controlled High Blood Pressure	1
MSSP Patients Seen	Patients Seen Max = 2	✓ 90% of MSSP patients seen by 9/26/25 <u>and</u> Quality score at 70% or higher for each of the 4 Metrics	2
		✓ 85-89% MSSP patients seen by 9/26/25 <u>and</u> Quality score at 60% or higher for each of the 4 Metrics	1
MSSP Patients Follow-up	MSSP Patient Post Hospital Discharge Follow-up Max = 1	✓ 75% MSSP patients post discharge from the hospital were followed-up (in-person or virtual visit) within 14 days of being discharged to home*	1
Home Health	Home Health Max = 2	✓ % of MSSP Patient forms sent by practice by 9/26/25 > 6% MSSP patients attributed	1
		✓ Home Health Cost below HMCC ACO Average* (\$47)	1
	Tie Breaker (If needed by Practice Size)	Practice with the highest RAF Score <u>and</u> Highest Quality Performance for all 4 Metrics will be the winner	

Maximum Points = 10

* FINAL Scores, will be updated based on most recent CMS data

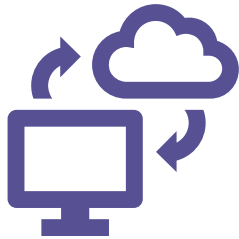
3 Points

2 Points

1 Point

2025 Honor Roll Timeframe: 7/1/2025 - 9/30/2025 (Performance Year-to-Date)

HMCC's Goals for 2026



Move away from paper state and streamline workflows to make clinician lives easier



Bi-directional integration (write-back) with EHR
Populate Best Practice Alerts with HCC focus areas



Align on one approach across the organization when reporting gaps in HCC opportunity

A blurred, high-angle shot of a large crowd of people walking through a modern, brightly lit interior space, possibly a transit hub or a large office lobby. The image is overlaid with a semi-transparent blue filter.

What Questions Can we Answer?

Stop by our VBCExhibitHall.com Virtual Booth



Enter Booth

Live Demonstrations, Upon Request

Thank you!

**Wajiha Waheed
Emily Hightower
Himasagar Molakapuri**

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