

## HCC coding makes a difference

### *Provider documentation and diagnostic coding impacts risk scores and revenue*

The Hierarchical Condition Category (HCC) risk adjustment payment model is used by the Centers for Medicare and Medicaid Services (CMS) to predict the cost of care for Medicare Advantage beneficiaries. This model uses an individual's demographic data in combination with his or her medical conditions to determine a Risk Adjustment Factor (RAF) for the individual. CMS requires that "risk adjusted" conditions or those associated with a HCC be documented and coded at least once each calendar year. Complete and accurate documentation and coding are required to assure correct reimbursement for present and future care of patients.

The table below provides an example of the diagnosis specific RAF assignment and total RAF score for a 78-year-old woman who has

- Diabetes Mellitus Type 2 with Peripheral Angiopathy (HCC 18)
- Peripheral Vascular Disease with Claudication (HCC 108)
- Left Ventricular Heart Failure (HCC 85)

All Conditions Coded		Some Conditions Coded		No Conditions Coded	
78 year old female	0.452	78 year old female	0.452	78 year old female	0.452
Diabetes type 2 with peripheral angiopathy	0.307	Diabetes type 2 without complication	0.106	Diabetes type 2 NOT coded	0.000
PVD with claudication	0.305	PVD with claudication	0.305	PVD with claudication NOT coded	0.000
Left ventricular heart failure	0.310	Left ventricular heart failure NOT coded	0.000	Left ventricular heart failure NOT coded	0.000
Disease Interaction	0.152	No Disease Interaction	0.000	No Disease Interaction	0.000
Total RAF	1.526	Total RAF	0.863	Total RAF	0.452
<b>Annual Payment</b>	<b>\$12,818</b>	<b>Annual Payment</b>	<b>\$7,249</b>	<b>Annual Payment</b>	<b>\$3,797</b>

As illustrated, complete and specific documentation and coding is essential to accurately reflect a patient's degree of illness and to predict the financial risk associated with providing quality health care to that patient.

Additional information about HCC coding is available on Security Health Plan's Provider webpage at: <https://www.securityhealth.org/providers/hcc>