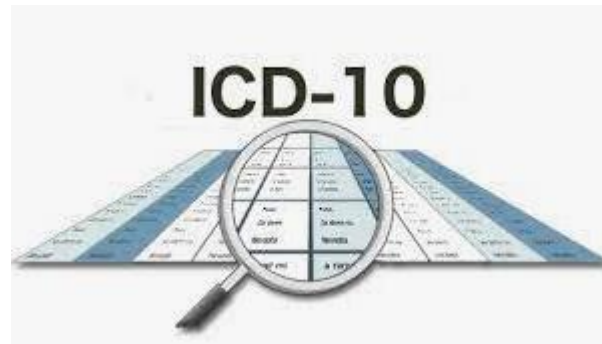# 2023 New Year Risk Adjustment Coding Reminders

February 22, 2023

Agenda

- **Risk Adjustment Coding** – *Donna Campbell, CRC, CPB*
  - What Is It, Why Does it Matter?
  - General Reminders
  - Documentation in Epic-Key Opportunities for Improvement
- **Focus on Specifics** – *Ruth Mooney, CPC, CPMA, CRC*
  - Specificity and Laterality
  - Importance of Using Combination Codes
  - SDoH Coding
  - Status Coding
  - April 2023 ICD-10 Updates
- **Questions?**

Risk Adjustment Coding: Intro and Reminders

Donna Campbell, CRC CPB
Risk Adjustment Manager, TMIN

Risk Adjustment Coding:
What Is It, Why Does It Matter?

What is Risk Adjustment Coding?

➢ "Risk Adjustment" is an **actuarial tool** used by payors.

➢ Value Based Payors (Medicare and Medicaid ACOs and Commercial contracts) will apply various "**models**" (HCC, DxCG, etc.) to estimate future health care costs for patients.

➢ How is this done?

  ➢ Health Care Providers submit ICD-10 codes on their claims to identify diagnoses, signs and symptoms of their patients.

  ➢ Within the models, some of those codes (typically chronic conditions) are mapped to categories that have a score (value). (Each diagnosis has an assigned value, and these values determine a patient's Risk Adjustment Factor (RAF).

  ➢ Demographic factors (age and gender) are also applied to calculations.

Why Does It Matter?

➢ These algorithms allow Value Based Payors to use a patient's RAF *(risk score)* to predict costs.

➢ Typically, higher costs would be predicted for sicker patients and lower costs for healthier patients. RAFs explain patient complexity and paints a picture of the whole patient.

➢ These scores are used to set budgets for patient care.

➢ In addition to predicting health care resource utilization, RAFs are used to risk adjust quality and cost metrics.

➢ For more information, please review this document from the American Academy of Family Physicians: *Understanding and Improving Risk Adjustment in Team-Based Care.*

New Year Reminders:
Risk Scores Reset Annually!

➢**See your patients annually, AND remember to:**

- Accurately document and code all relevant chronic conditions.

- Update your patients' problem lists.

- Use the "Combination Codes" and indicate specificity where relevant *(slides # 9-10).*

- Document/Code the Social Determinants of Health *(slides # 11-12).*

- Code the "Statuses" (transplants, amputations, etc.) annually *(slide # 13).*

➢**Some key ICD-10 code tips that help ensure accurate risk scores:**

- **Strokes:**

  ✓ *Stroke, unspecified* or any *acute stroke code* should NOT be coded on an outpatient claim. More accurate coding for strokes:

    ✓ Personal history of transient ischemic attack (TIA) or cerebral infarction without residual effects (Z86.73)

    ✓ When a patient has a condition(s) related to a stroke or TIA, select codes from category I69.xxx (*Sequelae of cerebrovascular disease*).

- **Active Cancer** vs. **Personal History of Cancer** in coding*:*

  ✓ *"Active Cancer"* is when a primary malignancy is **still being actively treated** and treatment is directed at that site.

  ✓ Cancer becomes a *"history of"* cancer when all **treatment is completed** (excision, radiation or chemotherapy)

Documentation in Epic – Some Key Opportunities for Improving

- **Diagnoses** listed on the progress note <u>without</u> an evaluation or assessment are considered "problem list" entries and do not provide correct documentation. If you drop a visit diagnosis code into your documentation, you also need to **assess** that condition in your note. **Think In Ink!**

- **CKD** – Specificity Matters! Please document the stage, not just the lab value.

- **Active Condition Reminders:**
  - If your patient has an "active condition" your documentation should reflect that.
  - "*History Of*" language should not be used to note active conditions.
    - ✓ *Documentation can be an acknowledgment of the presence of the condition and a brief update of the current status.*

- **Weight-associated conditions** (ex. obesity, morbid obesity) should be documented and coded when appropriate. BMI range is a secondary code and should not be coded alone.

Focus on Specifics

Ruth Mooney, CPC, CPMA, CRC
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Specificity and Laterality Best Practices

Laterality

- Payers are starting to deny claims with unspecified diagnoses codes, which results not only in loss of revenue, but also has a negative impact on our value-based contracts.
- Unspecified laterality should only be used if a code for specified laterality is not available.

Severity

- Example – MDD (Major Depressive Disorder) unspecified, will not risk adjust for CMS-HCC model, but MDD with severity such as mild, moderate, or severe, will risk adjust.
- Patient's predicted cost of health care services is driven by appropriate documentation and reporting of acuity and specificity, thus documenting and reporting conditions to the highest level of severity reflects the appropriate burden of cost to care for those patients' conditions.
- Combination codes are important to use when relevant because certain combinations of diseases have been determined to increase the cost of care. Disease interactions result in higher risk score when the disease pairs are present.
  - *Ex: A patient who has both diabetes with CHF, has a higher expected cost than a patient who only has diabetes, or only has CHF.*

Best Practices

- If its not documented, it cannot be reported
- Document the status of all conditions at least once per calendar year
- Document and report all conditions that affect your medical decision making
- SDoH should also be documented and reported as this has an impact on a patient's overall healthcare status
- State the obvious. Coders are not clinical and cannot interpret a lab value or test score in order to clinically diagnosis a patient or assume a severity for a specific condition.

Importance of Using Combination Codes

ICD-10 codes are used in calculating risk scores, therefore documenting acuity and specificity of each condition is imperative.		
Example: • 72 yr. old male patient • Dual eligible for both Medicare/Medicaid Based on PY 2021 CMS-HCC v24	E11.9 - Type 2 diabetes without complications N18.9 – Chronic kidney disease, unspecified I10 – Essential (primary) hypertension F32.9 – Major depressive disorder, single episode, unspecified Demographic Base (Age & Gender) Factor 0.600	HCC 19 0.107 0 0 0 0 0 0 **Total = 0.707**
Example: • 72 yr. old male patient • Dual eligible for both Medicare/Medicaid Based on PY 2021 CMS-HCC v24	E11.22 – Type 2 diabetes with diabetic chronic kidney disease N18.5 – Chronic kidney disease, stage 5 I12.0 – Hypertensive, chronic kidney disease, with stage 5 chronic kidney disease, or end stage renal disease. F32.1 – Major depressive disorder, single episode, moderate Demographic Base(Age & Gender) Factor 0.600	HCC 18 0.340 HCC 136 0.260 HCC 136 0 HCC 59 0.299 **Total = 1.499**

SDoH Coding Reminders

- CMS defines social determinants of health as "the range of social, environmental, and economic factors that can influence health status—conditions that can often have a greater impact on health outcomes than the actual delivery of health services." The acknowledgment of these social, economic, and environmental issues is essential to providing value-based care.

- SDoH diagnosis code range is Z55-Z65

- These codes should never be listed as a primary diagnosis.

- When the assessment and plan is developed with consideration of these social determinants of health, the documentation should clearly describe the circumstances and how they affect the patient's treatment or management.

- SDoH screenings are an integral part of a patient's visit.

- Patient-stated issues regarding SDoH are accepted and should be documented/coded.

- Social history should be updated to reflect SDoH that affect the patient during that current visit

EXAMPLE: A patient requiring a specific drug that is very expensive, recently lost their job due to the COVID-19 pandemic, and has no income or prescription benefits. The decision might be made to try a different drug to ease the cost burden for the patient. (Z56.0 - Unemployment, unspecified**)**

Commonly Used SDoH Codes:

- Z55.0 Illiteracy and low-level literacy
- Z55.8 Other problems related to education and literacy
- Z55.9 Problems related to education and literacy, unspecified
- Z59.00 Homelessness, unspecified
- Z59.01 Sheltered homelessness
- Z59.02 Unsheltered homelessness
- Z59.1 Inadequate housing
- Z59.2 Discord with neighbors, lodgers and landlord
- Z59.3 Problems related to living in residential institution
- Z59.41 Food insecurity
- Z59.5 Extreme poverty
- Z56.0 Unemployment
- Z56.9 Low income
- Z59.7 Insufficient social insurance and welfare support
- Z59.89 Other problems related to housing and economic circumstances
- Z59.82 –Transportation Insecurity
- Z59.9 Problem related to housing and economic circumstances, unspecified (utilities etc.)

- Z60.0 Problems of adjustment to life-cycle transitions
- Z60.2 Problems related to living alone
- Z60.3 Acculturation difficulty
- Z60.4 Social exclusion and rejection
- Z60.5 Target of (perceived) adverse discrimination and persecution
- Z60.8 Other problems related to social environment
- Z60.9 Problem related to social environment, unspecified
- Z63.0 Problems in relationship with spouse or partner
- Z63.31 Absence of family member due to military deployment
- Z63.32 Other absence of family member
- Z63.6 Dependent relative needing care at home
- Z63.72 Alcoholism and drug addiction in family
- Z63.79 Other stressful life events affecting family and household
- Z63.8 Other specified problems related to primary support group
- Z63.9 Problem related to primary support group, unspecified

Status Codes –
Code Once Annually for Accurate Risk Scores

CONDITION	ICD 10 CODE
Tracheostomy	Z93.0
G tube	Z93.1
Ileostomy/Colostomy	Z93.2/Z93.3
Transplant Status	Z94.0 (Kidney) Z94.4 (Liver) Z94.81 (Bone Marrow)
Dependence on Renal Dialysis	Z99.2
Long Term Use of Opioids for Pain	Z79.891 (do not code opioid dependence, if patient is on long term use of opioid for pain management.)
HIV Status	Z21
Lower Limb Amputation (AKA)	Z89.61x
Lower Limb Amputation (BKA)	Z89.51x
Long Term Use of Insulin	Z79.4
Long Term or Current Use of Anticoagulants	Z79.01

Coming Soon: Key April 2023 ICD-10 Updates

➢ The April 2023 update to ICD-10-CM expands SDoH data reporting capabilities.

➢ Several new Z codes for reporting social determinants of health (SDoH) will be added to the ICD-10-CM code set in the 2023 first quarter update.

➢ These updates will be applied in Epic; if you are in another EMR, your vendor can provide details on their plan for updates.

➢ As noted previously in this presentation:

"The acknowledgment of these social, economic, and environmental issues is essential to providing value-based care."

April 2023 SDoH Updates

Z55.6 - Problems related to health literacy

Z58.81 - Basic services unavailable in physical environment

Z58.89 - Other problems related to physical environment

Z59.10 - Inadequate housing, unspecified

Z59.11 - Inadequate housing environmental temperature

Z59.12 - Inadequate housing utilities

Z59.19 - Other inadequate housing

Z62.814 - Personal history of child financial abuse

Z62.815 - Personal history of intimate partner abuse in childhood

Questions?

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Thank You

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