Risk Adjustment Coding

Sarah Duell, BSBM, CPC, CRC
What is Risk Adjustment?

- An actuarial tool used to predict health care cost
- A process involving diagnosis reporting to measure a patient’s health status
- Diagnosis codes are used to adjust potential risks
- Risk Adjustment is a method to evaluate and measure all patients on a equal scale - levels the playing field
- Other factors (age, race, socioeconomic status, gender)
- Used to forecast trends and future needs of patients
- Predictive Analysis - review of current and past medical conditions to predict future costs
- Affects payment and quality
Risk Adjustment Models

- CDPS - Chronic Illness and Disability Payment System (Medicaid)
- HCC - Hierarchical Co-Existing Conditions (Medicare)
- Health and Human Services HCC Model (ACA)
- DRG - Diagnosis Related Groups - Inpatient
- ACG - Adjusted Clinical Groups - Outpatient
Medicare HCC Model

- Hierarchies or groups of conditions
- A value is assigned to each diagnosis in the model called a risk adjustment factor (RAF)
- Not all diagnosis codes carry a value
- Trump list
- Approved Provider list (face to face encounters)
- 79 HCC Categories
HCC Risk Adjustment 101

Risk Adjustment 101
Characteristics of CMS-HCC Model

- **HCCs/Multiple Chronic Diseases**: Base payment for each member based on HCCs and influenced by Medicare Costs for Chronic Diseases.
- **Diagnostic Sources**: CMS will only consider diagnoses from IP & OP Hospital & Physician Data.
- **Prospective in Nature**: Diagnosis from base year used to predict payment for next year. New Enrollee vs Existing Enrollee.
- **Disease Interactions**: Additional factors applied when hierarchy of more severe and less severe conditions co-exist.
- **Demographics**: Final adjustment due to: age, sex, original Medicare entitlement, disability & Medicaid status.
Medicaid CDPS Model

- 18 Major disease categories
- Hierarchies - trumped diagnoses
- Level of risk - very high, medium, low, extra low
- Personal history of, family history
- Similar coding rules as those of HCCs
- Capture all current diagnoses and all known statuses
Timing of risk adjustment calculation

- **Retrospective**
  - Past claims adjusted to show actual experience

- **Concurrent**
  - Benchmarking model, outcome is already known - current time period, used to change payment arrangements, more accurate than prospective

- **Prospective**
  - Current claims (diagnoses) used to predict the future
Predictive Modeling
Quality of Care

- Definition of predictive modeling - An analytical review of know data elements to establish a hypothesis related to the future health care needs of a patient with varying certainty
- Predictive modeling software
- CMS Star Ratings
- HEDIS
- Case management, Disease management, Utilization management
## Predictive Analysis software tool

**DSTHS RiskAnalyzer®**

**RA High Risk Members**

**ACG Risk Adjusted**

**Reporting Period:** 01/01/2013 to 12/31/2013

**Restricted View:** No

osp = All, Pharmacy Cost Band = All, Total Cost Band = All, Chronic Condition Count = All, Age = All, Frailty Flag = All, Risk Poor Coord by High Cost = All, # Unique MDs = All, Include EDC = No All, **Exclude EDC = No All**, Product Type = All, Group = All, Total $ Predicted = All, Total RX Gaps = All, # ER Services = All, # Inpatient Admissions = All, RX Ingredient

<table>
<thead>
<tr>
<th>Age</th>
<th>Sex</th>
<th>Member Months</th>
<th>RRS Current</th>
<th>RRS Predicted</th>
<th>Prob</th>
<th>Total $ Current</th>
<th>Total $ Predicted</th>
<th>Total $ Cost Impact</th>
<th>RX $ Current</th>
<th>RX $ Predicted</th>
<th>Chronic Condition Count</th>
<th># of Unique MDs</th>
<th>RX Ingrid Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>5.01</td>
<td>0.77</td>
<td>182,913</td>
<td>188,069</td>
<td>-</td>
<td>13,257</td>
<td>12,227</td>
<td>2</td>
<td>23</td>
<td>14</td>
</tr>
<tr>
<td>66</td>
<td>M</td>
<td>12</td>
<td>2.58</td>
<td>5.20</td>
<td>0.95</td>
<td>200,728</td>
<td>215,422</td>
<td>12,698</td>
<td>0</td>
<td>12</td>
<td>8</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>5.41</td>
<td>0.57</td>
<td>210,995</td>
<td>232,216</td>
<td>-</td>
<td>7,058</td>
<td>7,104</td>
<td>2</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>71</td>
<td>M</td>
<td>12</td>
<td>2.58</td>
<td>4.46</td>
<td>0.49</td>
<td>170,331</td>
<td>185,438</td>
<td>-</td>
<td>6,305</td>
<td>7,215</td>
<td>4</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>84</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>4.26</td>
<td>0.46</td>
<td>197,285</td>
<td>203,071</td>
<td>-</td>
<td>6,545</td>
<td>1,155</td>
<td>3</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>76</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>3.98</td>
<td>0.42</td>
<td>150,440</td>
<td>165,846</td>
<td>-</td>
<td>12,383</td>
<td>9,700</td>
<td>2</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>87</td>
<td>M</td>
<td>12</td>
<td>2.58</td>
<td>4.64</td>
<td>0.38</td>
<td>124,434</td>
<td>148,938</td>
<td>-</td>
<td>5,628</td>
<td>5,395</td>
<td>2</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>70</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>4.46</td>
<td>0.35</td>
<td>212,742</td>
<td>227,702</td>
<td>-</td>
<td>7,076</td>
<td>15,395</td>
<td>5</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>74</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>3.86</td>
<td>0.32</td>
<td>27,946</td>
<td>116,615</td>
<td>0</td>
<td>10,698</td>
<td>12,518</td>
<td>1</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>68</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>3.45</td>
<td>0.31</td>
<td>110,082</td>
<td>116,250</td>
<td>-</td>
<td>6,087</td>
<td>14,442</td>
<td>2</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>79</td>
<td>M</td>
<td>12</td>
<td>2.58</td>
<td>3.37</td>
<td>0.29</td>
<td>143,310</td>
<td>153,587</td>
<td>-</td>
<td>1,544</td>
<td>3,082</td>
<td>4</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>77</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>3.25</td>
<td>0.27</td>
<td>235,991</td>
<td>127,670</td>
<td>-</td>
<td>2,312</td>
<td>2,084</td>
<td>0</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>93</td>
<td>M</td>
<td>12</td>
<td>2.58</td>
<td>3.32</td>
<td>0.25</td>
<td>114,071</td>
<td>121,658</td>
<td>-</td>
<td>7,508</td>
<td>6,972</td>
<td>2</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>86</td>
<td>F</td>
<td>12</td>
<td>1.15</td>
<td>3.14</td>
<td>0.24</td>
<td>100,449</td>
<td>105,354</td>
<td>1,532</td>
<td>6,229</td>
<td>7,932</td>
<td>1</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>81</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>3.06</td>
<td>0.23</td>
<td>101,131</td>
<td>105,082</td>
<td>2,585</td>
<td>13,380</td>
<td>12,601</td>
<td>1</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>71</td>
<td>M</td>
<td>12</td>
<td>2.58</td>
<td>2.95</td>
<td>0.22</td>
<td>159,915</td>
<td>167,963</td>
<td>-</td>
<td>771</td>
<td>548</td>
<td>0</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>74</td>
<td>F</td>
<td>12</td>
<td>1.45</td>
<td>2.93</td>
<td>0.21</td>
<td>117,712</td>
<td>98,775</td>
<td>-</td>
<td>21,206</td>
<td>29,082</td>
<td>2</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>75</td>
<td>F</td>
<td>12</td>
<td>1.45</td>
<td>2.64</td>
<td>0.20</td>
<td>128,856</td>
<td>98,775</td>
<td>-</td>
<td>7,901</td>
<td>6,682</td>
<td>1</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>69</td>
<td>F</td>
<td>12</td>
<td>1.45</td>
<td>2.64</td>
<td>0.20</td>
<td>86,948</td>
<td>88,937</td>
<td>-</td>
<td>26,901</td>
<td>30,828</td>
<td>2</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>77</td>
<td>M</td>
<td>12</td>
<td>1.45</td>
<td>2.64</td>
<td>0.19</td>
<td>51,476</td>
<td>68,937</td>
<td>-</td>
<td>6,249</td>
<td>8,802</td>
<td>1</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>83</td>
<td>M</td>
<td>3</td>
<td>2.58</td>
<td>2.60</td>
<td>0.18</td>
<td>120,965</td>
<td>87,799</td>
<td>-</td>
<td>1,733</td>
<td>3,200</td>
<td>2</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>76</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>7.52</td>
<td>0.18</td>
<td>86,270</td>
<td>85,080</td>
<td>-</td>
<td>9,153</td>
<td>11,058</td>
<td>1</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>82</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>2.46</td>
<td>0.17</td>
<td>122,391</td>
<td>84,079</td>
<td>-</td>
<td>8,070</td>
<td>7,843</td>
<td>1</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>91</td>
<td>F</td>
<td>9</td>
<td>2.58</td>
<td>2.44</td>
<td>0.17</td>
<td>134,536</td>
<td>82,447</td>
<td>-</td>
<td>538</td>
<td>1,531</td>
<td>2</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>96</td>
<td>F</td>
<td>12</td>
<td>1.45</td>
<td>2.42</td>
<td>0.16</td>
<td>57,246</td>
<td>71,848</td>
<td>-</td>
<td>16,981</td>
<td>30,734</td>
<td>1</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>75</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>2.30</td>
<td>0.18</td>
<td>137,815</td>
<td>87,434</td>
<td>-</td>
<td>6,126</td>
<td>4,951</td>
<td>2</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>95</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>2.37</td>
<td>0.15</td>
<td>124,668</td>
<td>80,046</td>
<td>-</td>
<td>3,569</td>
<td>2,990</td>
<td>0</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>72</td>
<td>F</td>
<td>12</td>
<td>1.15</td>
<td>2.37</td>
<td>0.15</td>
<td>141,623</td>
<td>70,924</td>
<td>-</td>
<td>7,782</td>
<td>9,314</td>
<td>1</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>95</td>
<td>F</td>
<td>12</td>
<td>2.58</td>
<td>2.27</td>
<td>0.15</td>
<td>14,718</td>
<td>10,705</td>
<td>-</td>
<td>16,399</td>
<td>10,016</td>
<td>5</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

Note: The table above contains predicted costs and various metrics for different members, including the number of unique MDs and RX ingredient.
## Predictive Analysis software tool

### Identifying Information
- **Sex**: M
- **Age**: 93
- **Member Months**: 12
- **Assigned PCP**: 110165300 - GRAND ITASCA CLINIC
- **Assigned PCP Specialty**: GP
- **Imputed PCP**: 106459200 - L FLORIDA PHYSICIANS OF CENTRAL FL
- **PrimaryPCP Specialty**: GP

### Risk and Utilization

<table>
<thead>
<tr>
<th>Risk</th>
<th>Special Markers</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>RUB - Current</td>
<td>HivDom</td>
<td>Inpatient Admissions</td>
</tr>
<tr>
<td>RRS - Predicted</td>
<td>Frailty Flag</td>
<td>30-Day Readmts</td>
</tr>
<tr>
<td>Prob Hosp - 6 month</td>
<td>Tobacco Use</td>
<td>ER Services</td>
</tr>
<tr>
<td>Prob Hosp - 12 month</td>
<td>Substance Abuse</td>
<td>Dialysis Services</td>
</tr>
</tbody>
</table>

### Condition Markers
- **Active Cancer**: ICD 2020 COPD
- **Anxiety**: NP Depression
- **Bipolar Disorder**: NP Diabetes
- **CHF**: Rx Disorder Lipid Metab
- **Chronic Renal Failure**: ICD HIV

### Cost Analysis

<table>
<thead>
<tr>
<th>Cost Analysis</th>
<th>Total Cost $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Allowed Total</td>
<td>115,611.83</td>
</tr>
<tr>
<td>Actual Paid Total</td>
<td>36,077.95</td>
</tr>
<tr>
<td>Predicted Total</td>
<td>198,565.66</td>
</tr>
<tr>
<td>Probability Total Cost Outlier 95%</td>
<td>95%</td>
</tr>
<tr>
<td>Probability Total Cost Outlier Prior 45%</td>
<td>45%</td>
</tr>
<tr>
<td>Total Cost Band</td>
<td>98-99%</td>
</tr>
</tbody>
</table>

### Rx Cost Analysis

<table>
<thead>
<tr>
<th>Rx Cost Analysis</th>
<th>Actual Rx Cost</th>
<th>Predicted Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Allowed Total</td>
<td>7,507.51</td>
<td>24,902.84</td>
</tr>
<tr>
<td>Probability Rx Cost Outlier 99%</td>
<td>99%</td>
<td>19%</td>
</tr>
<tr>
<td>Rx Cost Band</td>
<td>96-97%</td>
<td></td>
</tr>
<tr>
<td>High Impact EDCS</td>
<td>EDC</td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Major EDC</td>
<td>EDC</td>
<td></td>
</tr>
<tr>
<td>HEM Hematologic</td>
<td>HEM07 Hemophilia, coagulation disorder</td>
<td></td>
</tr>
<tr>
<td>MAL Malignancies</td>
<td>MAL13 Malignant neoplasms, pancreas</td>
<td></td>
</tr>
<tr>
<td>REN Renal</td>
<td>REN01 Chronic renal failure</td>
<td></td>
</tr>
<tr>
<td>TOX Toxic Effects and Adverse Events</td>
<td>TOX04 Complications of mechanical devices</td>
<td></td>
</tr>
<tr>
<td>Moderate Impact EDCS</td>
<td>EDC</td>
<td></td>
</tr>
<tr>
<td>Major EDC</td>
<td>EDC</td>
<td></td>
</tr>
<tr>
<td>CAR Cardiovascular</td>
<td>CAR03 Ischemic heart disease (excluding acute myocardial infarction)</td>
<td></td>
</tr>
<tr>
<td>CAR Cardiovascular</td>
<td>CAR06 Cardiac valve disorders</td>
<td></td>
</tr>
<tr>
<td>CAR Cardiovascular</td>
<td>CAR09 Cardiac arrhythmia</td>
<td></td>
</tr>
<tr>
<td>CAR Cardiovascular</td>
<td>CAR14 Hypertension, w/o major complications</td>
<td></td>
</tr>
<tr>
<td>END Endocrine</td>
<td>END07 Type 2 diabetes, w/ complication</td>
<td></td>
</tr>
<tr>
<td>GAS Gastrointestinal/Hepatic</td>
<td>GAS05 Chronic liver disease</td>
<td></td>
</tr>
<tr>
<td>GSI General Surgery</td>
<td>GSU14 Gastrointestinal obstruction/perforation</td>
<td></td>
</tr>
<tr>
<td>MUS Musculoskeletal</td>
<td>MUS14 Low back pain</td>
<td></td>
</tr>
<tr>
<td>Low Impact EDCS</td>
<td>EDC</td>
<td></td>
</tr>
<tr>
<td>Major EDC</td>
<td>EDC</td>
<td></td>
</tr>
<tr>
<td>ADM Administrative</td>
<td>ADM02 Surgical aftercare</td>
<td></td>
</tr>
<tr>
<td>ADM Administrative</td>
<td>ADM05 Administrative concerns and non-specific laboratory abnormalities</td>
<td></td>
</tr>
<tr>
<td>CAR Cardiovascular</td>
<td>CAR11 Disorders of lipid metabolism</td>
<td></td>
</tr>
<tr>
<td>END Endocrine</td>
<td>END05 Other endocrine disorders</td>
<td></td>
</tr>
<tr>
<td>EYE Eye</td>
<td>EYE05 Refractive errors</td>
<td></td>
</tr>
<tr>
<td>GAS Gastrointestinal/Hepatic</td>
<td>GAS08 Gastroesophageal reflux</td>
<td></td>
</tr>
<tr>
<td>GSI General Signs and Symptoms</td>
<td>GS05 Nausea, vomiting</td>
<td></td>
</tr>
<tr>
<td>GSU General Surgery</td>
<td>GSU03 Benign and unspecified neoplasm</td>
<td></td>
</tr>
<tr>
<td>GSU General Surgery</td>
<td>GSU05 External abdominal hernias, hydroceles</td>
<td></td>
</tr>
<tr>
<td>GSU General Surgery</td>
<td>GSU09 Nonfungal infections of skin and subcutaneous tissue</td>
<td></td>
</tr>
<tr>
<td>GSU General Surgery</td>
<td>GSU10 Abdominal pain</td>
<td></td>
</tr>
<tr>
<td>GTC Genetic</td>
<td>GTC02 Inherited metabolic disorders</td>
<td></td>
</tr>
<tr>
<td>GUR Genito-urinary</td>
<td>GUR06 Urinary symptoms</td>
<td></td>
</tr>
<tr>
<td>GUR Genito-urinary</td>
<td>GUR08 Urinary tract infections</td>
<td></td>
</tr>
<tr>
<td>GUR Genito-urinary</td>
<td>GUR12 Genito-urinary disorders, other</td>
<td></td>
</tr>
<tr>
<td>MUS Musculoskeletal</td>
<td>MUS01 Musculoskeletal signs and symptoms</td>
<td></td>
</tr>
<tr>
<td>MUS Musculoskeletal</td>
<td>MUS13 Cervical pain syndromes</td>
<td></td>
</tr>
<tr>
<td>MUS Musculoskeletal</td>
<td>MUS17 Musculoskeletal disorders, other</td>
<td></td>
</tr>
<tr>
<td>NUT Nutrition</td>
<td>NUT04 Nutritional disorders, other</td>
<td></td>
</tr>
<tr>
<td>REN Renal</td>
<td>REN08 Renal disorders, other</td>
<td></td>
</tr>
<tr>
<td>RHU Rheumatologic</td>
<td>RHU02 Gout</td>
<td></td>
</tr>
<tr>
<td>SKN Skin</td>
<td>SKN11 Dermatophytoses</td>
<td></td>
</tr>
<tr>
<td>SKN Skin</td>
<td>SKN16 Diseases of nail</td>
<td></td>
</tr>
</tbody>
</table>
Risk Adjustment and Financials

- Health plans are funded based on Risk Adjustment Factors
- Under coding leads to underpayment and loss of revenue
- Over coding leads to audit risk and compliance actions
- Example taken from AAPC:

<table>
<thead>
<tr>
<th>Health Plan Characteristics</th>
<th>No Conditions Coded (Demographics Only)</th>
<th>Some Conditions Coded (Claims Data Only)</th>
<th>All Conditions Coded (Chart Review by Certified Coder)</th>
</tr>
</thead>
<tbody>
<tr>
<td>76 year-old female</td>
<td>.468</td>
<td>76 year-old female</td>
<td>.468</td>
</tr>
<tr>
<td>Medicaid Eligible</td>
<td>.177</td>
<td>Medicaid Eligible</td>
<td>.177</td>
</tr>
<tr>
<td>DM Not Coded</td>
<td></td>
<td>DM (no manifestations)</td>
<td>.118</td>
</tr>
<tr>
<td>Vascular Disease not coded</td>
<td></td>
<td>Vascular Disease without complication</td>
<td>.299</td>
</tr>
<tr>
<td>CHF not coded</td>
<td></td>
<td>CHF not coded</td>
<td></td>
</tr>
<tr>
<td>No Interaction</td>
<td></td>
<td>No interaction</td>
<td>+ Disease Interaction bonus RAF (DM + CHF)</td>
</tr>
<tr>
<td>Patient Total RAF</td>
<td>.645</td>
<td>Patient Total RAF</td>
<td>1.062</td>
</tr>
<tr>
<td>PMPM Payment for Care</td>
<td>$452</td>
<td>PMPM Payment for Care</td>
<td>$743</td>
</tr>
<tr>
<td>Yearly Reserve for Care</td>
<td>$5,418</td>
<td>Yearly Reserve for Care</td>
<td>$8,921</td>
</tr>
</tbody>
</table>
Audit risk and compliance

- CMS conducts RADV audits to verify the accuracy of diagnosis codes submitted
  - Medical record must support the diagnosis codes
  - Provider signature must be valid
  - Provider credentials are reviewed (MD, DO, PA, NP, LCSW, OT, PT, etc)
Prospective assessments

- In-home annual wellness visit
  - Completed by MD, PA, or NP
  - Data shared with PCP and care coordinator
  - Gap closure
Diagnosis Documentation & Coding

- Report all diagnosis codes that are part of the MDM for each visit
- Cause and effect needs to be documented in order to be coded
- Rule out diagnosis codes do not count for risk adjustment (except in-patient)
- Previously treated, no longer existing diagnoses are not coded
- Evidence of Treatment (TAMPER) to code condition
  - Treatment
  - Assessment
  - Monitoring or Medicate
  - Plan
  - Evaluate
  - Referral
Coding from medical record

- Coding diagnoses from Review of Systems
  - Do not code patient stated conditions without provider verification
- Coding diagnoses from Exam
  - Valid diagnoses as recorded by provider in this section shall be coded
- Coding diagnoses from Assessment and Plan
  - Generally these diagnoses should always be coded unless they are historical
- Past medical history
  - Current vs history must be clear
    - When codes are historical in nature - code history of....
    - If a condition no longer exists it is not coded
Code for all diagnoses

- Coders may sometimes confuse diagnosis reporting with the selection of E&M level
- When choosing the E&M level, diagnosis codes should only be counted toward the level of service when they are documented as to how they were evaluated or addressed
- ICD coding guidelines instruct coders to include all comorbidities for each encounter

**ICD-10 Guidelines**

ICD-10-CM: Section IV. Diagnostic Coding and Reporting Guidelines for Outpatient Services

G. ICD-10-CM code for the diagnosis, condition, problem, or other reason for encounter/visit
- List first the ICD-10-CM code for the diagnosis, condition, problem, or other reason for encounter/visit shown in the medical record to be chiefly responsible for the services provided. **List additional codes that describe any coexisting conditions.** In some cases the first-listed diagnosis may be a symptom when a diagnosis has not been established (confirmed) by the physician. (ICD-10-CM, 2013 Draft)

J. Code all documented conditions that coexist
- **Code all documented conditions that coexist at the time of the encounter/visit and require or affect patient care treatment or management.** Do not code conditions that were previously treated and no longer exist. However, history codes (categories 280-287) may be used as secondary codes if the historical condition or family history has an impact on current care or influences treatment
Diagnosis specificity

- Documentation must be specific
- Code to the highest specificity possible at all times
- Comorbidities - cause and effect must be clearly documented to be coded
- Modifying factors should be clearly documented
- Chronic vs Acute
  - Commonly under diagnosed conditions
    - Hypertension
    - Diabetes
Certain health status codes are very important to assess, document and code at least annually using the highest level of specificity:

- Patients undergoing dialysis (V45.11)
- Lower limb amputation status (V49.7X)
- Asymptomatic HIV status (V08)
- Ostomy (specific site) (V44.X)
Commonly coded diagnoses in Risk Adjustment Models

- Basic concepts and diseases
  - Related progression and comorbidities
  - Understand clinical documentation more clearly
Oncology reminders

- Malignancies should only be documented when patient has evidence of current disease. If the disease has been eradicated through surgical intervention, radiation or chemotherapy code the history of code.
  - Patients who do not receive definitive treatment should still be coded as active disease.
  - Patients who have successfully completed treatment should be coded with a history of code.
A stroke (CVA) is an acute event, it should not be coded as active for an extended period of time.

Once the patient is discharged, it should be coded as a history of CVA with or without residual effects.

- Residual effects should be coded every time they are assessed.
- Hemiparesis must be documented as due to CVA to be coded as such.
  - Potential for guidelines to change with ICD10.

Use additional codes to identify the presence of:

- Alcohol abuse, dependence
- Tobacco use
- Hypertension
Angina

- Chronic Condition, may or may not be related to MI
- Notice how documented, NOS, unstable, etc.
- New ICD 10 combination codes
- Use additional codes to identify related factors:
  - History of tobacco smoke
  - Tobacco dependence
  - Tobacco use
Artificial openings

- Important status factor and should be coded on every appropriate encounter
  - Affects patient care decisions
  - Risk for infection
  - Requires additional monitoring
  - Ensure the opening is still current as they may be temporary
Amputations

- Amputations must be coded at least annually
  - If not coded, no credit is given in risk adjustment
BMI and Obesity

- BMI reading may be reported by any clinician
- BMI codes should never be primary diagnosis
- BMI measures in pediatrics (2-20) are based on a percentile
- Coders should only code the BMI when documented in the chart, do not calculate
- Obesity must be reported by treating provider not by other clinicians
  - Morbid obesity is risk adjusted
Chronic Kidney Disease (CKD)

- Decrease in function of the kidneys
  - Increased risk for people with hypertension, diabetes; possibly also hereditary
  - Coders may not assign a diagnosis or staging based on review of lab data
  - Treating provider must document the diagnosis with which of 6 stages
    - If provider documentation is between stages (i.e. I-II, coder should choose lower stage)
    - If documentation uses mild, moderate or severe coders may assign appropriate stage

- Code for dialysis when appropriate
Congestive Heart Failure

- CHF - heart cannot pump enough blood (damaged weakened heart muscle)
  - Acute, chronic, acute on chronic or unspecified
  - Systolic, diastolic or unspecified
  - Use additional codes:
    - Heart failure due to hypertension
    - Heart failure following surgery
    - Heart failure due to hypertension with CKD
Chronic Obstructive Pulmonary Disease (COPD)

- Often referred to as COPD, emphysema, chronic bronchitis, obstructive asthma
- Permanent condition usually progressively worsens
- Document and code patients receiving oxygen therapy
- Acute on Chronic
  - Acute exacerbation
- Code related factors:
  - Exposure to environmental smoke
  - Tobacco use
  - Tobacco dependence
Diabetes

- Type 1 - body does not make insulin
- Type 2 - body does not make enough insulin or unable to use body made insulin
- Most common disease under documented and often miscoded
- Complications must clearly be stated with cause and effect (except gangrene)
  - Diabetes with neuropathy
  - Diabetes and neuropathy (cannot be assumed to be related)
- Code all known manifestations as a separate code
- ICD10 does away with controlled versus uncontrolled
Asthma

- Inflammatory disease of the airways
  - Intrinsic or extrinsic (ICD10 does away with this)
  - Obstructive (COPD)
  - Comorbidity (allergy, etc)
- 5th digit identifies (unspecified, exacerbation, etc)
- Code related factors:
  - Exposure to environmental smoke
  - Tobacco use
  - Tobacco dependence
Hypertension

- Chronic elevated blood pressure, making the heart work harder than normal
  - < 140/90 controlled
  - Primary or secondary
  - Other complications, stroke, MI, heart failure, peripheral arterial disease, CKD
  - Benign, malignant, unspecified is no longer coded with ICD10

- Hypertensive heart disease
  - cause and effect documented (combo code used)
  - Cause and effect not documented (code conditions separately)
Myocardial Infarction (MI)

- Heart Attack
  - Diagnosis of Old MI is important for risk adjustment models, as it carries implications for ongoing monitoring and treatment
  - May be listed on past problem list
- New ICD 10 guidelines: MI is considered current ≤ 4 weeks old
- Use additional codes to identify:
  - History of tobacco use
  - Tobacco dependence
Dementia

- Dementia is a serious loss in the overall cognitive ability beyond normal aging expectations
- Under age 65 determined early onset
- Code first the underlying physiological condition if appropriate
- With or without behavioral disturbances
Hepatitis

- Inflammation of the liver
  - Acute vs chronic
  - Hepatitis A, B, C, D, E
  - Hepatitis C and new treatment regimen (Sovaldi/Harvoni)
Challenges with provider coding

- Providers have not been trained in coding
- Providers are unaware of coding guidelines
- In many environments, providers have no incentive to code and submit ALL diagnosis codes
- Time constraints
- Errors are rarely corrected
Itasca Medical Care (IMCare) specific risk adjustment scenarios

- In-Network At-Risk providers
  - 100% share in the gain or loss of profits
    - Accurate coding affects provider payments and settlement outcomes
Conclusion

- Accurate risk adjustment coding will continue to increase in importance; if you’d like further information or to request a coding education session for your facility, please contact me:

  Sarah Duell, BSBM, CPC, CRC
  Itasca Medical Care
  CFO/Accountant
  1219 SE 2nd Ave
  Grand Rapids, MN 55744
  218-327-6789 Direct line
  218-327-5545 Fax
  Sarah.duell@co.itasca.mn.us