

Hierarchical Condition Category (HCC) Coding Discussion Guide

Audience: All staff members within each practice (min. 75% staff participation).

Focus: HCC Coding and Risk Scoring

Objective: Following this session, I will understand:

1. What is HCC coding?
2. Why are HCC codes important?
3. What role do I play in understanding HCC coding?

What are HCC codes?

HCC codes are ICD-10 diagnosis codes that are linked to chronic medical conditions. They allow payers to estimate future costs of care for that patient.

Why should we care about HCC coding?

Appropriate HCC coding allows us to do the following at the clinic level:

- Identify patients with clinical care gaps.
- Create disease registries.
- Assess a patient's risk of hospitalization.
- Create standard workflows for patients with specific medical conditions.
- Pay for clinic staff to support more extensive care for higher-risk patients.

SECTION I: Hierarchical Condition Coding (HCC)

Assigning the appropriate HCC codes can accurately report the patient's illnesses, conditions and diseases.

Key Takeaways:

- Why do we need HCC codes?
- How does HCC coding impact risk scores and payment?

Talking Points:

1. What are HCC codes?
 - HCC codes are ICD-10 diagnosis codes.

- Some information about HCC codes:
 - Designed by CMS to estimate the patient's health care costs.
 - These are chronic medical conditions.
 - HCC codes are assigned a score.
 - There are 10,000 HCC codes.
 - These codes are updated annually in October.
- 2. Why learn and understand HCC coding?
 - Coding is how medicine is translated into the language of the business of health care.
 - Accurate coding and documentation are important in establishing the entire clinical picture of the patient:
 - Identifies diagnoses that need additional screenings, tests or procedures.
 - Focuses disease education for patients and caregivers.
 - Supports medical necessity for testing, screenings, procedures or referrals.
 - Predicts the health care cost and utilization for the patient.
 - Ensures that the financial resources are available to provide care for the patient.
 - HCC codes can be used to identify patients that may require more resources:
 - Condition-specific outreach.
 - Standard workflows.
 - Appropriate patients for care management, pharmacy intervention or close follow-up.

How can the skill of the care team be used?

Front desk

Medical assistant
and clinic nurse

Provider



Why should I care?

1. Accurate coding and documentation, including the use of HCC codes, affects patient care.
2. We all should know and understand what they are and how we use HCC codes.
3. Your practice is accountable for treating and redocumenting the chronic conditions of your patients.
4. Accurate documentation of patient history will allow for appropriate HCC assignment and risk score reporting.
5. You will help prepare the provider for the patient's visit by scheduling the type of visit, and ordering screenings or other tests.

Pause for discussion. Questions 1-2.

Discussion Guide Questions:

1. What is the difference in ICD-10 and HCC coding assignment?
2. Specificity vs. unspecificity and how it identifies the complete clinical picture.

SECTION II: HCC Coding and the Front Desk

The front office staff are experts in scheduling and often the first and last person to interact with the patient.

Highlights:

- Front office staff are often the team that reach out to the patient for scheduling.
- Sets the tone for the patient's experience.
- Plays a crucial role in pre-visit planning.

HCC use for the front desk:

Understanding HCC (diagnosis) coding:

- Using diagnoses to help determine the visit type:
 - Look at the patient chart to add additional visit time if patient is having an annual.
 - Helps to capture an in-depth medical history.
- Use diagnoses to create disease-specific lists of patients needing follow-up.
- ICD-10 codes establish medical necessity:
 - Z00.DO and Z00.01 are used for AWW and annual physical exams.
 - Identify social determinants of health if there are barriers.
 - Set the patient's expectations of the type of visit scheduled.
 - Clearly explain what their insurance (payer) will cover for their diagnosis.
 - Referrals.



How can the skill of the care team be used?

Front desk

Medical assistant
and clinic nurse

Provider

SECTION III: HCC Coding and the Medical Assistant/Clinic Nurse

Medical assistants and nurses can play an integral role in accurate coding and documentation. Using the most specific HCC codes to establish medical necessity when ordering tests, sending referrals to specialists, and sending prescriptions to the pharmacy ultimately ensures that the process is smooth and easy for the patient. Additionally, clinical staff can learn to identify HCC/ICD-10 codes that need to be addressed by the provider during the annual exams.

Highlights:

- Use ICD-10 codes for treatment plans.
- Problem list clean-up.
- Use HCC codes to bring chronic conditions to the forefront of annual or wellness visits.
- Standard workflows associated with specific chronic conditions.

Tips for the MA and RN:

Reconcile any outside medication and diagnoses:

- Use standard orders and workflows for chronic condition management identified by diagnosis codes.
- Review the problem list and make sure to remove any diagnosis codes that do not apply:
 - Review and tee up diagnosis codes the provider assigned for the visit.
 - Ensure all provider documentation supports the diagnosis codes needed for referrals, tests and prior authorizations.



How can the skill of the care team be used?

Front desk

Medical assistant
and clinic nurse

Provider

SECTION IV: HCC Coding for Providers

Highlights:

Accurate HCC/ICD-10 coding is important for the following reasons:

- It establishes the medical necessity of the visit.
- It allows us to identify patient cohorts needing more care or more disease-specific care.
- It helps identify patients at higher risk of getting sicker.
- It translates the medical information into the language of the business of health care.
- It affects the financial resources set aside by the patient's insurance company for the care of that patient.

Tips for the provider:

1. HCC coding:

- Chronic conditions need to be coded or recoded at least once per year.
- HCC coding can have a direct impact on reimbursement and patient care.
- HCC coding is used in assessing patient risk—both clinical and financial.
- HCC coding is diagnosis coding.

2. Readdressing chronic conditions:

- Think of the acronym of M.E.A.T. when addressing chronic conditions:
 - M: Manage
 - E: Evaluation
 - A: Assessment or addressing
 - T: Treatment (plan)
- Review education items and personal prevention plan.
- Schedule next primary care, Annual Wellness Visit or specialty appointments.

3. HCC coding and cost:

- Redocumentation of the HCC codes will accurately report a risk score to the payer.
- Risk scores are used to predict the potential cost of health care for the patient.
- Not redocumenting HCC codes or coding HCC diagnosis codes can impact risk and therefore either inflate or deflate the cost of care.
- HCC coding can also substantiate the medical necessity of the visit and can help increase EM level (visit) coding.

Discussion: Coding side-by-side comparison

RAF:

RAF stands for "risk adjustment factor" and is a patient-specific determination of financial risk that is calculated annually. HCC codes have individual numeric values that are added together according to an algorithm that includes demographics and other social factors to determine a patient-specific RAF score. The RAF score is used by payers to allocate financial resources for the patient's care.

Below is a comparison of how coding affects the RAF score.

| Patient 1 (Diagnosis) | ICD-10 Code | HCC Risk Score |
|---|----------------|---|
| Obesity | E66.9 | 0 |
| T2DM | E11.9 | .104, 0 |
| Major depressive disorder, single episode, unspecified | F32.9 | 0 |
| CHF | 150.9 | .323 |
| Asthma | J45.909 | 0 |
| Pressure ulcer of RT heel, unspecified | L89.619 | 0 |
| CHF*DM | E11.59, 150.9 | .154 |
| RAF score: Sample MA member payment: | | 1.029 \$9,000 annually. |

| Patient 2 (Diagnosis) | ICD-10 Code | HCC Risk Score |
|--|-------------------------|--|
| Morbid obesity, BMI 42 | E66.01, 268.42 | .273 |
| T2DM w/diabetic retinopathy | E11.311 | .318 |
| Major depressive disorder, single episode, mild | F32.0 | .395 |
| CHF, class 3 | 150.30 | .323 |
| COPD | J44.9 | .328 |
| Pressure ulcer of RT heel, stage 3 | L89.613 | 1.204 |
| CHF*DM; CHF*COPD | E11.59, 150.9; 127.9 | .154, .19 |
| RAF score: Sample MA member payment: | | 3.633 \$32,000 annually. |

Discussion topics to think about:

- What is the difference in ICD-10 and HCC coding assignment?
- Specificity vs. unspecificity and how it identifies the complete clinical picture.
- RAF score's impact and direct relationship to HCC coding.
- Cost of care and how that would affect reimbursement.