



## 3M Health Information Systems

# Executive briefing Best practices: Hierarchical condition categories (HCCs)

For large, integrated health networks, the continued move to tie more reimbursement to quality and value emphasizes the:

- Importance of managing patients across the entire continuum of care
- Value of complete documentation and accurate coding across that continuum

Since most patient encounters now occur in the physician office or clinic setting, having the right training, processes and tools in place for all care settings becomes critical to success in the value-based reimbursement (VBR) environment.

## Where can things go wrong?

Including the correct **hierarchical condition category (HCC) diagnoses** on encounter claims is essential under VBR, because with the correct HCCs, your patients are appropriately risk-adjusted to meet most VBR program requirements. There are three common reasons why HCC diagnoses can go missing on encounter claims:

1. Clinical providers do not document the HCC-linked diagnoses for their patients
2. Clinicians document a patient's relevant conditions, but do not code for the conditions
3. Patients in an attributed population for a health system do not come in for a visit during the required time period, so there is no opportunity to capture relevant diagnoses for these patients

## How to get things right

For a broad patient population, 3M recommends the following steps to help your organization consistently code to the highest appropriate HCC category and Risk-Adjustment Factor (RAF) scores\* for each patient. These steps involve everyone from office administrators to coders and clinical documentation improvement (CDI) staff, and especially pertain to the provider's workflow.

### Step 1: Evaluate the current state

To set up the processes and tools to capture HCCs for your patient population, your organization should begin with these questions:

- Does your organization's current clinical documentation and coding accurately reflect HCC risk scores for the patient population based on relevant diagnoses?
- Are there gaps in capturing these diagnoses?
- Are physicians routinely capturing complete HCC-relevant diagnosis information on their patients?
- Do physicians have clear information on key diagnoses to address and document for each patient?
- Are documented diagnoses being submitted for billing?
- Are coding processes sufficient for capturing all relevant HCC diagnoses?

### Step 2: Train your staff on HCCs

HCCs and their usage in healthcare payment programs may be newer concepts for physicians, coders and office staff. A baseline knowledge level is important for all stakeholders and designing role-appropriate education programs is a key element to a sustainable, successful program.

### Step 3: Implement accurate retrospective coding for complete diagnosis capture

Providers usually capture detailed diagnosis information for their patients in visit notes, but when they enter their own billing codes, documented diagnoses are often not included in the final claim for that visit. If diagnoses are not in the claim, they are not counted towards that patient's annual HCC

\*Each HCC has its own relative RAF score based on the complexity of the disease; the RAF functions similarly to the weighting of the Diagnosis-Related Groups (DRGs) for inpatient payments.

total. You need accurate coding processes in place across inpatient to outpatient and office settings to establish a comprehensive process that captures complete HCC and RAF scores for a broad patient population.

#### Step 4: Begin data aggregation and analysis

To capture HCC diagnosis information for an entire patient population, you must understand your patient population's baseline HCCs and RAF scores. Ideally, the starting point for this is the aggregation of two years' worth of claims data from all care settings—inpatient, outpatient and office. The claims data can then help define each patient's HCC baseline and annual RAF score.

#### Step 5: Involve care managers and outpatient CDI reviewers

Monitoring and analyzing ongoing claims for every patient encounter provides a running tally in a given year of documented HCC diagnoses and also lets you identify the missing HCC diagnoses for each patient at any given time. Adding in a cross-reference with a scheduling or appointment feed can generate reports that identify the patients who have not scheduled visits and should be brought in so their HCC diagnoses can be documented and billed. Reports can also identify patients with scheduled visits, so reviewers and care managers can use weekly or daily worklists to review cases before the patient is seen.

#### Step 6: Engage administrative office staff

Effective patient scheduling and coordination connect all relevant patients with their appropriate providers for the visits needed to manage care, improve health quality and document all relevant diagnoses for annual submission. Patients with diagnoses that would count towards an HCC may not have a visit in any healthcare setting, so no provider can document diagnoses in that year.

If an organization can review a list of patients with undocumented HCC diagnoses and identify the patients who do not have scheduled visits for the remainder of the year, those patients can be scheduled for an appropriate office visit with their associated specialist or as part of a wellness program. This type of patient-level population management also helps improve care coordination and HCC status tracking.

#### Step 7: Include clinical provider EHR workflows

Capturing complete HCC diagnosis information for an entire patient population ultimately falls to the providers, who lead busy lives and manage many members of complex patient populations. However, providers must document and submit each patient's complete medical diagnostic picture. Diagnosis guidance provided within the providers' EHR workflow can serve as a reference as they evaluate, document and bill for each patient visit—a safeguard to help providers capture the HCC-linked diagnoses for each patient.

### Call today

For more information on how 3M software and services can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at **[www.3m.com/his](http://www.3m.com/his)**.



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### 3M support for HCC best practices

**3M Consulting Services** can comprehensively assess your organization's current state of HCC capture rates through a claims data analysis and medical record review that identify specific areas to improve in HCC capture, coding quality and revenue. 3M consultants can also deliver role-specific training customized for your organization based on findings from the comprehensive assessment.

The **3M™ 360 Encompass™ System – Patient Insights** product offers case managers, outpatient CDI reviewers, office administrators, scheduling staff and providers a communication system that facilitates messaging and notifications that can also be made available within the provider's EHR workflow. From the start of a patient visit, the software delivers unobtrusive HCC diagnosis guidance to providers so they can document and code once on each patient's complete clinical diagnostic picture, helping them avoid time-consuming, retrospective rework later.

In addition, the following **3M computer-assisted coding (CAC) solutions** help to establish each patient's baseline HCC level and monitor ongoing claims:

- The **3M™ 360 Encompass™ System** integrates CAC and CDI into one application for inpatient and outpatient encounters
- The **3M™ CodeRyte™ CodeAssist™ System** produces accurate coding for the physician office and clinic setting

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