3M | M*Modal

3M Health Information Systems

Real time clinical intelligence at the point of care

Seamless hierarchical condition category (HCC) management

Challenge: Shifting from volume to value

Closing the gap between patient care and the financial impact

Today, there are approximately 44 million Medicare beneficiaries. This number is expected to rise to around 79 million in 2030 according to AARP[1]. As this number continues to grow, The Centers for Medicare & Medicaid Services (CMS) is aggressively shifting health care payments from traditional volume-based, fee-for-service models, to a value-based reimbursement (VBR).

As a part of this effort, health care organizations are increasingly using the **hierarchical condition category (HCC)** risk-adjustment model to calculate risk scores and predict potential health care costs in multiple VBR programs. HCC models are designed to predict the health spending for a specific patient population. In these models, the risk is equal to the level of expected health care spending, providing a more accurate picture of the patient condition.

Because of the shift from volume to value and the continued increase in the number of recipients, health care providers are assuming greater accountability and revenue risk. To capture accurate HCC risk scores, clinicians and clinical documentation integrity (CDI) teams need clear access to the clinical evidence used for a patient's entire history. They need to be able to close HCC documentation gaps before the claims are submitted.

Today:

44 million
Medicare beneficiaries

In 2030 there will be

79 million
Medicare beneficiaries

What are HCCs?

Simply put, HCCs are a methodology first used by CMS to help predict costs for treating Medicare Advantage patients in inpatient, outpatient and office settings. Patient demographics and diagnosis coding are used to determine risk adjustment and how much money will be allocated to a health plan for future patient treatment.

Health care organizations increasingly use HCCs to calculate risk scores and predict potential health care costs in multiple VBR programs. It is also used to assess quality of care. Organizations capture HCCs by documenting and coding all of a patient's diagnoses across all care settings for an entire year. The HCC methodology groups each chronic disease or injury into a category that predicts future care needs and determines each patients' risk adjustment factor (RAF) score.

Why HCC compliance is important

Meet Paul Smith

A 78-year-old male who has gone in to see his doctor for a checkup.

Paul is managing multiple chronic conditions.

In 2018, he experienced complications due to diabetes.

2019 RAF score **Diagnoses documented/billed during visits in 2018**	
Demographic score: 2018	.466
HCC 18: Diabetes w/ retinopathy	.302
HCC 22: Morbid Obesity	.263
HCC 40: Rheumatoid arthritis	.421
HCC 85: Dilated cardiomyopathy	.331
HCC 111: COPD	.335
HCC Interaction Score: CHF-COPD	.190
HCC interaction Score: Diabetes–CHF	.154
Total RAF Score	**2.462**

Documentation must adhere to the MEAT criteria to support adding the additional diagnoses.

2020 RAF score Diagnoses documents/billed during visits in 2018	
Demographic score: 2019	.466
HCC 18: Diabetes w/ retinopathy	.302
HCC 22: Morbid Obesity	.263
Total RAF Score	1.031
2019 Missing RAF Score	**1.431**

Capitated PMPM
$800 PMPM X 2.262 RAF = $1810
$800 PMPM X 1.031RAF = $799

$12,132 Annual

In the graphic to the left, you can see Mr. Smith's historical diagnosis and the correlating HCC codes, which were used to create a RAF score. This score is then multiplied by the base pay per member per month (PMPM) capitated rate to determine the PMPM for the next period of coverage. PMPM is a calculation often used by health insurance companies to determine the average cost of health care for each member.

The challenges of capturing and coding under HCCs

Accurate and compliant documentation has always been a critical factor of any HCC program. To achieve accurate HCC coding and receive appropriate reimbursement, an organization must capture a complete diagnostic profile of every patient. Physicians must document the highest disease categories for each patient's condition as well as demonstrate the patient's conditions were monitored, evaluated, assessed and treated. HCCs must be captured every 12 months to receive accurate Medicare Advantage plan reimbursement.

This documentation is very time consuming and can be difficult to accurately capture for busy physicians. Physicians and caregivers may not even know which HCCs are missing before claims are submitted – and then it is too late to make corrections. The submission of improperly documented codes can lead to the appearance of false risk adjustment claims, or even worse, fraud. This can cause legal implications for all involved.

Chronic conditions are confirmed only

45%

of the time

According to a 2019 ACDIS CDI Week – Industry Survey, **only 40% of respondents review** outpatient records. Of the 40%, **only 47% focus on review of HCC capture**[2].

How an HCC management solution can streamline both CDI and clinician workflows

An ideal, single access, web interface solution can help multiple stakeholders collaborate on the patient chart and monitor HCC coding, gaining distinct advantages.

Physician benefits

Delivers proactive, real time HCC information to physicians using artificial intelligence (AI)-powered computer-assisted physician documentation (CAPD) ensuring HCC opportunities are not missed during the patient encounter. During a patient encounter, HCC management provides physicians with a proactive workflow that shows the patient's documented history of chronic conditions and their RAF score, providing complete and compliant documentation the first time, year after year.

Auditor benefits

Worklists provide prioritized patient record reviews and calculates and manages RAF scores for all patients in a facility's population. This helps auditors identify gaps in chronic conditions from year to year.

Revenue cycle manager benefits

Calculates RAF scores for all patients in a facility's population, painting a clear picture of population RAF scores and gaps, using the same data models applied by CMS.

Outpatient CDI workflow benefits

Prioritizes patient record reviews based on gaps in patient risk scores and helps identify diagnoses not yet captured on claims for the current year. The solution also leverages natural language understanding (NLU) to identify HCC opportunities that would otherwise be missed.

How to implement an effective HCC program within a health care organization

To achieve accurate HCC coding and receive appropriate reimbursement, an organization must capture a complete diagnostic profile of every patient, including all information that impacts a patient's evaluation, care and treatment. Here are the steps:

1. **Have a process that identifies the gaps in diagnosis.** An integrated HCC management solution has a built-in worklist and prioritization process that identifies gaps and missing documentation, year after year.

2. **Provide an easy way to prioritize patients with missing diagnosis.** An HCC management solution will prioritize patient lists based on RAF gaps to drive proactive scheduling and auditing workflow.

3. **Review patient health history quickly and efficiently.** An HCC management solution should have proprietary worklists that allow the reviewer to easily and quickly review the patient record for HCC diagnosis reconfirmation yearly.

4. **Integrate a physician workflow that identifies gaps in the diagnosis documentation at the point of care.** An integrated HCC management solution delivers proactive, real time AI-powered information to the physician at the point of care.

5. **Provide measurement and outcomes.** HCC management solutions are built to help health care organizations improve care quality and financial outcomes. This solution helps health care organizations improve the accuracy of HCC risk scores.

The 3M solution

Discover how 3M™ M*Modal HCC Management can help capture the complete patient story

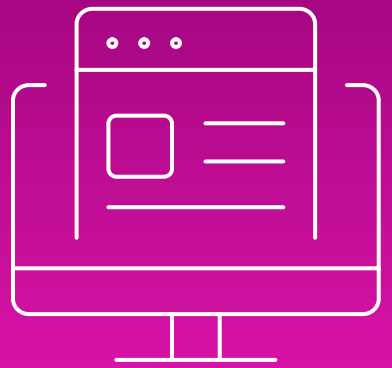
3M HCC Management is a comprehensive, technology-driven solution that can help improve HCC coding performance and success under value-based programs with real time clinical intelligence at the point of care.

3M HCC Management leverages AI to deliver frontline assistance to physicians so they don't miss HCC opportunities, providing real time guidance for documentation in the EHR so HCC gaps are closed before claims are submitted. Ultimately, this creates more time to care for patients.

Call today

For more information on how 3M products 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**.

3M HCC Management provides a process that ensures "checks and balances" for compliance, for both the physician and the auditor. Our job at 3M is to provide built-in compliance measures so our clients don't have to worry about missing HCC opportunities.



[1] AARP Public Policy Institute. (2009). The Medicare Beneficiary Population fact sheet [Fact sheet] https://assets.aarp.org/rgcenter/health/fs149_medicare.pdf
[2] Watson, Monica M. "Documentation and Coding Practices for Risk Adjustment and Hierarchical Condition Categories." Journal of AHIMA 89, no. 6 (June 2018):extended online version.

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