Representing the patient burden of illness in a value-based health care world
How do you capture the patient’s burden of illness in value-based health care?

Through an accurate assessment of the patient’s health status using risk adjustment factors (RAF) score.

A RAF score is assigned in a risk-adjusted model based on a patient’s demographic factors and diagnosis codes mapped to hierarchical condition categories (HCCs). RAF scores are used as a metric to predict care utilization and financial projection for the following year for patient care.

<table>
<thead>
<tr>
<th>Demographic risk score</th>
<th>Disease risk score</th>
<th>Patient RAF</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Age</td>
<td>• Reported HCC diagnoses</td>
<td>• Reflects underlying health status and expected costs for managing total patient burden of illness</td>
</tr>
<tr>
<td>• Residence (community versus skilled nursing facility (SNF) or institution)</td>
<td>• Diagnosis interaction factor (related to specific comorbid categories)</td>
<td></td>
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<tr>
<td>• Medicaid disability and interaction with age/gender</td>
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</table>
Why is HCC specificity key to an accurate RAF score?

The RAF score represents the patient population for a health care organization. This score is used to determine financial metrics and care utilization benchmarks for value-based programs.

HCCs represent the patient complexity, presenting the patient’s chronic conditions and patient care provided.

HCC specificity and compliant documentation are key to capturing the accurate RAF scores that represent the patient burden of illness.

- Average RAF score baseline for an individual = 1.0
- Healthy patients may have a RAF score below the 1.0 average
- Sicker patients may have a RAF higher than the 1.0 average

*HCC’s represent the chronic conditions associated within a RAF score.*
Why are HCCs important?

HCCs present the complexities of a patient’s conditions. Managing your patient’s HCCs in a value-based world has never been more important. Or complex.

Consider the following:
In 2020 there were 19 HCC categories representing 86 chronic health conditions used to determine a patient’s RAF score. This continues to increase year after year.

Complex? Yes, but important as value-based health care continues to expand across patient populations. HCCs provide the complete clinical picture of the patient and the patient’s chronic condition.
Why is specificity with documentation key to an accurate RAF score?

Specificity can make a difference. The ability to document greater specificity can have an impact on RAF scores and subsequent reimbursement.

**Diabetes Centers for Medicare & Medicaid Services (CMS) HCCs.**

Possible impact for a diabetic patient.

<table>
<thead>
<tr>
<th>2021 risk adjustment factor score</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>HCC 19</td>
<td>Diabetes without complications</td>
</tr>
</tbody>
</table>

CMS HCC 19 (example 1) shift to CMS HCC 18 (example 2) raised the individual patient’s RAF score by 0.197 which can increase the potential reimbursement impact*

*Actual impact is based on the healthcare organization’s plan

\[(0.302 - 0.105) = 0.197 \times 855 \text{ PMPM} = 168.43 \text{ month} \times 12 = \$2,201.22\]

- Additional financial impact per patient
- Total per member per month
- Additional reimbursement based on specified HCC category
- Months per year
- Difference = 0.197
- HCC 19 shift to HCC 18

= $2021 / year

Potential reimbursement impact representing 498 patients:

- $1,006,568 to Medicare Advantage plan at 100% realization
- $503,284 to Medicare Advantage plan at 50% realization
- $251,642 to Medicare Advantage plan at 25% realization
Capturing the complete patient story with 3M™ M*Modal HCC Management.

3M HCC Management is a closed-loop solution that uses artificial intelligence (AI)-powered computer-assisted physician documentation (CAPD) technology to deliver efficiency in identifying and documenting HCCs, thereby helping ensure an accurate RAF score representing the patient.

HCC management benefits:

**Pre-visit**
- The physician has the most relevant patient information available upon opening the patient chart

**During the visit**
- The point of care nudges reduces the need for additional “after hours” administrative tasks
- Physician receives real-time, automated HCC-related information during the patient visit

**Post-visit**
- Calculates RAF scores for all patients in a facility’s population helping auditors identify gaps from year to year, in addition to presenting a clear picture of the patient population

Pre-visit:
Prioritize patient records based on gaps in patient risk scores

During the visit:
- Physician receives real-time, automated HCC-related information during the patient visit

Post-visit:
- Accurate and appropriate RAF scores based on HCC capture and documentation
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.