Professional Coding System Overview

ACHIEVE REVENUE

MANAGEMENT

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Coding & Risk Adjustment

Risk Adjustment

WHAT? WHY? HOW?

WHAT
Is Risk Adjustment

Risk Adjustment

- System or method for which payment is based on an individual patient's:

- Demographics:

  - Age, sex, disability, Medicaid eligibility, etc.

- Health status or conditions:

  - Chronic conditions

  - Disease and disability interactions

- Various models and designs

WHAT
Are key terms used in Risk Adjustment models

Hierarchical Condition Categories (HCC)

- Categories of clinically similar diagnosis (ICD-10) codes arranged in a hierarchy by severity.
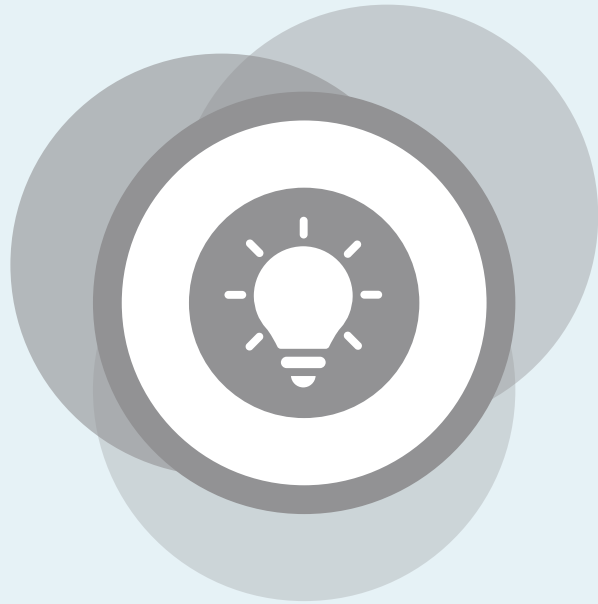
Risk Adjustment Factor (RAF)

- A numeric weight assigned to specific HCC or demographic category reflecting intensity or severity of health condition or status.

Risk Adjustment Factor Score

- Specific numeric score comprehensive (sum) of both the health and demographic RAF for an individual patient.
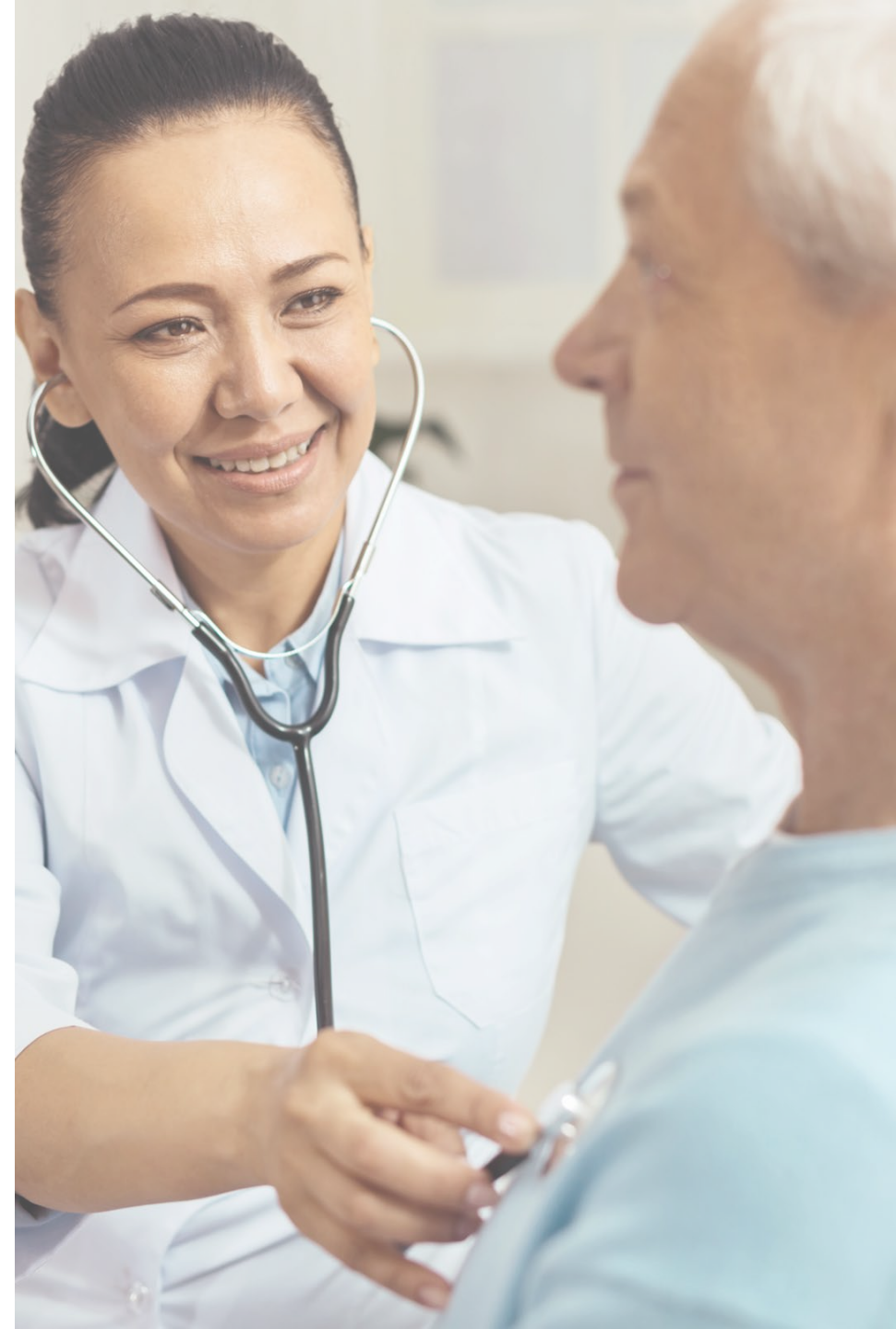
Risk Adjustment

WHAT?

WHY?

HOW?

WHY
Is risk adjustment important to FQHCs?

- Transitions away from standard fee-for-service considerations to a system based on predicted cost or "risk" of a patient

- May impact reimbursement from:

    - Payers (directly or indirectly)

    - Shared savings plans

- Considered to be an avenue for various value based arrangements

- Opportunity to address comprehensive care for patient

- Predictive modeling

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Risk Adjustment

WHAT?   WHY?   HOW?

HOW:
Risk Adjusted Methods are determined

- Provider renders a face-to-face encounter with the patient
- Chronic conditions, health status, and other applicable factors are documented
- Appropriate ICD-10-CM codes are selected
- ICD-10-CM codes are cross walked to associated HCC
- RAFs from patient's HCC and demographic data are summed to calculate the patient's risk score
- Risk score may then be used for payment or other reporting or care purposes