



NATIONAL ASSOCIATION OF  
Community Health Centers®

# ELEVATE NATIONAL LEARNING FORUM



elevate®

**HCC Coding and Risk Adjustment**  
February 11, 2025



# THE NACHC MISSION

## America's Voice for Community Health Care

The National Association of Community Health Centers (NACHC) was founded in 1971 to promote efficient, high quality, comprehensive health care that is accessible, culturally and linguistically competent, community directed, and patient centered for all.



# NACHC Quality Center



**Cheryl Modica**  
Director,  
Transformation and Innovation



**Cassie Lindholm**  
Deputy Director,  
Quality Center



**Holly Nicholson**  
Deputy Director, Learning  
and Development



**Tristan Wind**  
Manager,  
Quality Center



NATIONAL ASSOCIATION OF  
Community Health Centers®

## ELEVATE NATIONAL LEARNING FORUM



Medicare Annual Wellness Visits  
January 14, 2025

Who can see your messages? Recording On

To: Hosts and panelists ▾

Type

- Hosts and panelists
- ✓ Everyone

Unmute Stop Video Participants 2 Chat Share Screen Record Reactions Leave

### During today's session:

- Type your questions in the chat feature.
- Be sure to select "Everyone"!
- There will be Q&A and discussion at the end.

# Agenda



**Welcome**

**HCC Coding & Risk Adjustment**

*The basics*

*2025 changes & implementation strategy with Jeff MacInnes, Facktor*

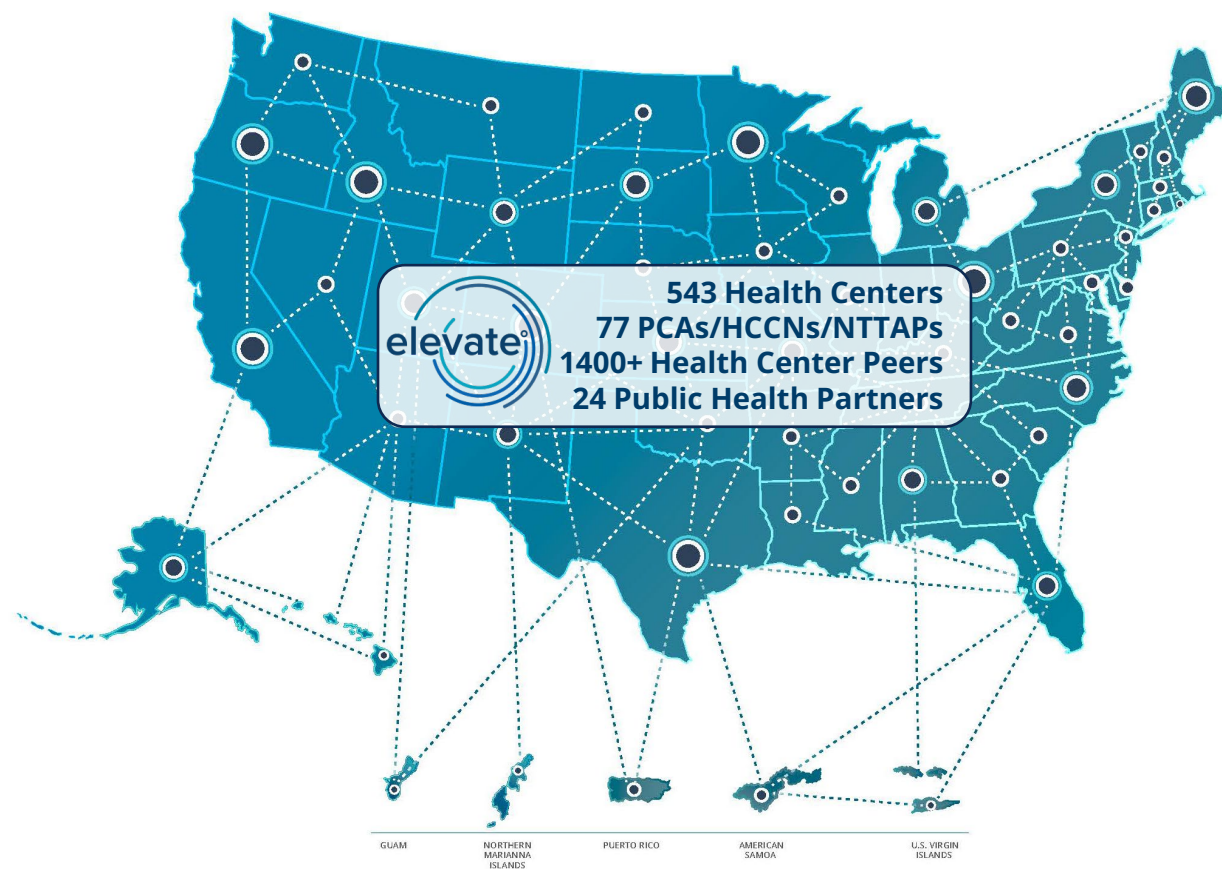
*Promising practices with Dr. Christopher Beckett and Amy Reed, Williamson Health & Wellness Center*

**Discussion and Q&A**

*FAQs with Michael Ceballos, Facktor*

**Closing**

# Elevate 2025



Share Elevate 2025  
with others!

***Elevate*** is NACHC's national learning forum supporting health centers and partners to transform systems and enhance value

# Want to Learn More?

## 1. Elevate informational video (1 min)



Also visit NACHC's [Elevate webpage](#)

## 2. Value Transformation Framework (VTF) video (1 min)



Also visit NACHC's [VTF webpage](#)

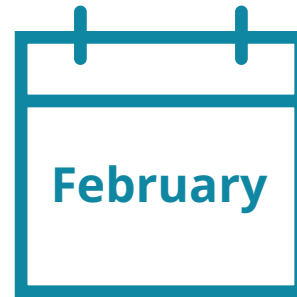
# Elevate 2025 Launch

## Elevate 2025 Launch: *Quarter 1 Medicare Focus!*



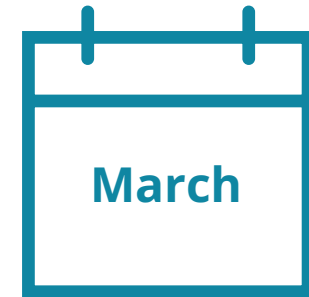
January

**Annual Wellness  
Visits**



February

**HCC Coding &  
Risk Adjustment**



March

**Care  
Management**



# Why Medicare?

## Why Medicare?

- ✓ Your feedback!
- ✓ Increasing segment of health center patient populations
- ✓ Increasing involvement of health centers in Medicare VBP arrangements
- ✓ Opportunities for reimbursement led by care team members other than the provider
- ✓ Workflows/promising practices can be extended to other patient segments (modifying as needed)





# HCC Coding & Risk Adjustment

*The Basics*

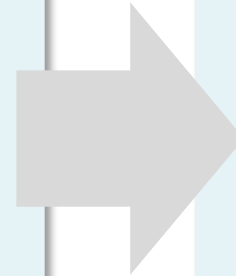
# WHAT is a Risk Score? Risk Adjustment?

## Risk Score

**A number representing the predicted cost of treating a specific patient or group of patients compared to the average Medicare patient.**

Primarily based on diagnosis codes from patient medical claims, reflecting the patient's health conditions.

Also uses demographic factors, including age, gender, and Medicaid eligibility.



## Risk Adjustment (RA)

**A method of calculating a provider's payment based on:**

- a patient's health,
- their likely use of healthcare services, and
- the costs of those services

An *accurate* risk score yields and *accurate* RA:

- higher payments when a patient population is sicker and likely to consume more healthcare resources, and
- lower payments for healthier patients.

★ *RA's follow the calendar year and risk scores reset on January 1st!*

# WHAT is a Risk Score? Risk Adjustment?

## Risk Adjustment Example

**1** Providers or plans submit patients' health diagnoses to payers on an annual to monthly basis, depending on the payer.

**2** Payers use different combinations of variables, including health diagnoses, age, gender, and disability status, to calculate each patient's risk score.

**3** Payers adjust payments to reflect each patient's score.

Base monthly payment for a health plan: \$1,000



85-year-old male with a base score of **0.686**



Diabetes score: **0.302**  
Colorectal cancer score: **0.307**



Total score: **1.295**  
Monthly payment: **\$1,295**



65-year-old female with a base score of **0.323**



Rheumatoid arthritis score: **0.421**  
Dementia score: **0.346**  
Chronic kidney disease score: **0.069**



Total score: **1.159**  
Monthly payment: **\$1,159**

Data: Adapted from Martha Hostetter and Sarah Klein, "Taking Stock of Medicare Advantage: Risk Adjustment," *To the Point* (blog), Commonwealth Fund, Feb. 17, 2022; and RTI International, prepared for the Centers for Medicare and Medicaid Services, "Global and Professional Direct Contracting and Kidney Care Choices Models: PY2022 Risk Adjustment," last updated Feb 18, 2022.

Source: Celli E. Horstman and Corinne Lewis, "The Basics of Risk Adjustment" (explainer), Commonwealth Fund, Apr. 10, 2024. <https://doi.org/10.26099/8xtk-c387>

# WHY is RA important to health centers?

- ✓ **Informs provider payments:** under some value-based payment models, providers are paid based on the anticipated cost of the patient, not the services provided.
- ✓ Supports this strategic allocation of resources and support to the health center patients who need it most.
- ✓ Enables health center leaders to better understand provider demands.



*Accurate diagnosis coding also supports other health center initiatives, such as UDS and other quality measure reporting.*

# HOW do we get an *accurate* Risk Score?

## *Through documentation and coding!*

### **Hierarchical Condition Categories (HCC) Coding:**

A classification system that groups related medical diagnosis into categories with similar levels of healthcare costs.

**Example:** Diabetes has 200+ diagnosis codes, which are grouped into the following HCCs:

- HCC 36: Diabetes with Severe Acute or Chronic Complications
- HCC 37: Diabetes with Chronic Complications
- HCC 38: Diabetes without Complication

# HOW do we get an *accurate* Risk Score?

## Coding Specificity

Diagnose to the highest specificity.

### Example:

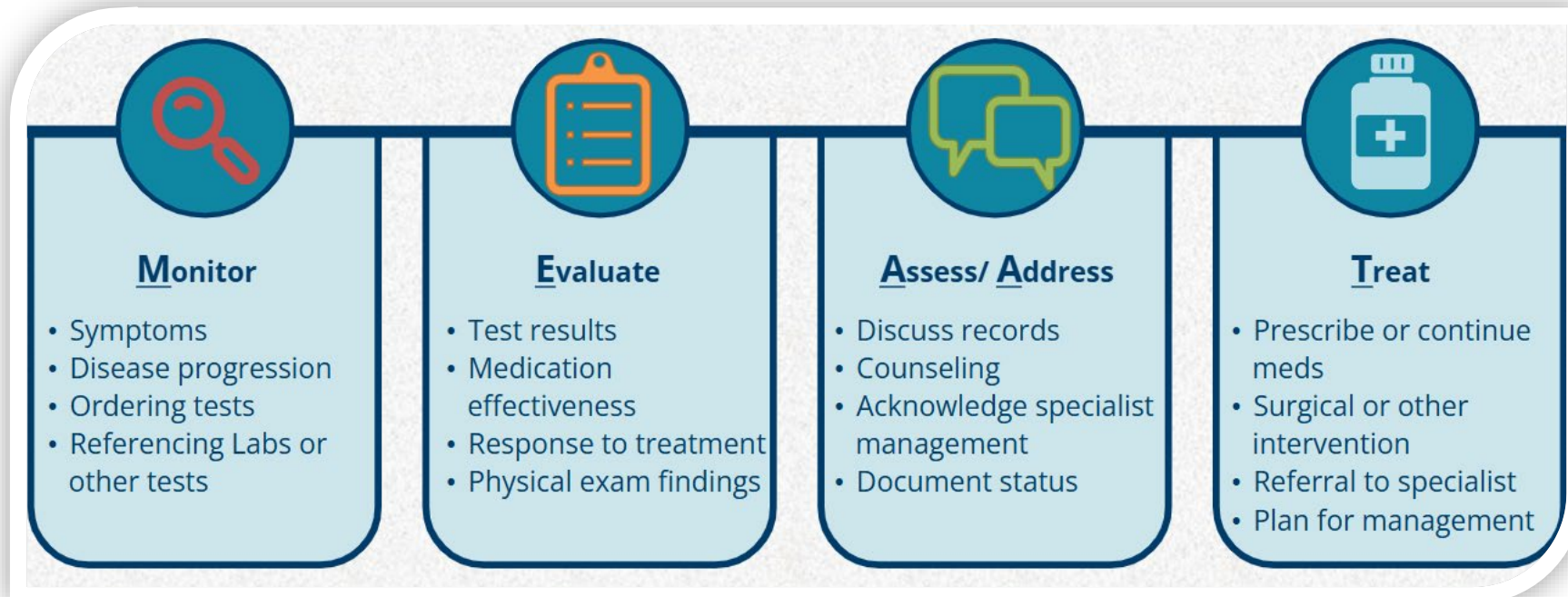
- ✘ E11.8 Type 2 diabetes mellitus with unspecified complications
- ✔ E11.22 Type 2 diabetes mellitus with diabetic chronic kidney disease

All diagnoses considered in medical decision making or those impacting the care and treatment of a patient should be documented in the medical record and reported on a claim.

# HOW do we get an *accurate* Risk Score?

## *Support coding with complete documentation*

Use the acronym *M.E.A.T.*





# WHAT is HCC Coding & Risk Adjustment?



Check out NACHC's  
**HCC Coding & Risk  
Adjustment Basics Course!**

Perfect for providers and  
other health center staff!





# HCC Coding & Risk Adjustment

*2025 Changes &  
Implementation Strategy*

# Featured Speaker



**Jeff McInnes, MPH**  
Senior Manager  
Facktor

Based in Chicago, IL, Jeff McInnes is a Senior Manager in Facktor's Finance division. McInnes provides revenue cycle management and operations support to Facktor clients to help them maximize their patient revenue collections and optimize cash flow. McInnes leverages RCM industry standards and local healthcare policy expertise to deliver actionable insights and data analytics. Before joining Facktor, McInnes served as director of revenue cycle and value-based care strategy at Esperanza Health Centers where he gained experience in FQHC RCM operations, managed care, Medicare and Medicaid policy, risk-based contracting, alternative payment methodologies, risk adjustment, and value-based care transformation. McInnes holds a master's degree in public health from Columbia University Mailman School of Public Health and a bachelor's degree in psychology from Indiana University.

# Implementation Strategy

- **Identify Incentives:** Does your health center contract with payers that incentivize HCC reconfirmation? How do you communicate value-based care incentive goals to the care team?
- **Coding Support:** Integrate coders to support Clinical Documentation Improvement (CDI) initiatives and reduce provider administrative workload
- **Leveraging HIT:** Maximize available HCC coding prompts in the EHR, or implement third-party solution to automate condition recapture

**Facktor**

# Implementation Strategy

- **Annual Wellness Visits:** Take advantage of extended wellness visits to perform annual HCC recapture
- **Condition-Specific Training:** Develop bite-size provider training focused on conditions that impact your specific patient population
- **Optimize Care Teams:** Ensure care team staff are working at the top of their scope/licensure and trained on how their role can support HCC coding.

**Facktor**

# 2025 Changes

- **Expanded HCC Categories:** The number of HCCs has increased from 86 in V24 to 115 in V28
- **Updated Underlying Utilization Data:** CMS-HCC V28 now incorporates diagnosis data from 2018 and expenditure data from 2019
- **Revised HCC Mapping:** Certain HCCs have been renamed, renumbered, or redefined. Example: diabetes diagnoses previously mapped to HCCs 17, 18, and 19 are now assigned to HCCs 36, 37, and 38

## What hasn't changed?

Provider workflows, documentation standards, and coding processes

**Facktor**



# HCC Coding & Risk Adjustment

*Promising Practices*

# Featured Speakers



## Dr. Christopher Beckett

Chief Executive Officer  
Williamson Health & Wellness



A graduate of West Virginia University and the West Virginia School of Osteopathic Medicine, Williamson Health & Wellness Center CEO Dr. C. Donovan “Dino” Beckett is one of America’s most respected rural health practitioners. Before launching Williamson Health & Wellness Center, Beckett opened his own practice, served as chief of staff and chief of medicine at Williamson Memorial Hospital and worked as a physician at Appalachian Regional Hospital.

Among Beckett’s many accolades, he was named the National Rural Health Association’s Rural Health Practitioner of the Year in 2017, the West Virginia School of Osteopathic Medicine Alumni Association’s Distinguished Alumni of the Year in 2018, a member of West Virginia Executive Magazine’s inaugural Health Care Hall of Fame in 2020 and a West Virginia Rural Health Leader by the Center for Rural Health in 2022.

## Amy Reed

Chronic Care Director  
Williamson Health & Wellness



A registered nurse by education, born and raised in the coal fields of Southern West Virginia. Dedicated 20 years of her nursing career to combating chronic kidney disease in Appalachia, became Group Facilities Administrator with oversight of 7 rural kidney dialysis outpatient clinics and 2 acute inpatient clinics when she made the decision to join Williamson Health and Wellness Center. Amy joined CEO, Dr. Beckett in 2018, allowing her to continue to serve a population she is passionate about with a shared focus on innovation while keeping quality care at the forefront.



# A new era in health



**WILLIAMSON HEALTH  
&  
WELLNESS CENTER**



# Highlights in health

*Leveraging Data-Driven Strategies for Success*

- Led by **Dr. Donovan Beckett**, former Rural Healthcare Provider of the Year
- **12+ provider FQHC** based in Williamson, WV
- Serving 25k+ patients in the community
- 800 Aligned ACO REACH Beneficiaries
- **Revitalizing Rural Healthcare:** Led efforts to reopen Williamson Memorial Hospital

## Comprehensive services:

- ✓ Medical, dental, Optometry behavioral health
- ✓ Food pharmacy & farmers market
- ✓ Community Health Workers
- ✓ Chronic Care Management program
- ✓ Mobile Care Unit - Hit the road this month!

# Integration drives better care



**Integrated Patient-Centered Care Model**

# Our ACO & Risk Adjustment Journey

## Foundational Processes:

- Chronic Care Management & Community Health Workers
  - Core programs driving transparency into the patients care needs
  - Supporting alignment of the patient's medical record prior to providers visits.
- From MSSP ACO to ACO REACH: Experience in driving success across APM models.
- Committed to **value-based care transformation**

## ACO REACH Success Highlights:

- **ACO REACH Success Highlights:**
  - **51% to 75% increase** in HCC risk recapture last year
  - Improved coding accuracy & financial performance
  - Stronger care coordination & provider workflows

# Maximizing Essential Tools and Strategic Partnerships

## Seamless Integration with Provider Workflows:

- **Real-Time Quality & Risk Performance Tracking**
  - Streamlined visibility into patient outcomes & care gaps performance
  - Full patient **risk stratification** to identify high-risk patients, including ACO-aligned members
- **Point-of-Service Diagnosis Risk Recapture**
- Alerts for **high-impact, heavy-weighted risk adjustment diagnoses**
  - Supporting **chronic condition recapture** at the point of care
- **Diagnosis Specificity Insights**
  - Identifies **unspecified diagnosis codes**
  - Supports provider education & improved coding accuracy

DignifiHealth
Home Products
DignifiHealth Demo

## Workflow Center

DignifiHealth

### Care Gap Opportunities

**Date:** 09-18-2024 **Provider:** SMITH, DAVID A, CNP **Specialty:** Family Medicine **Appointments:** 23

Your Logo Here

TIME	LAST	DOB	DXRECAP	DXSPEC	PROGRAM	AWV	DRUG	COLON	PNE	MAMMO	CERVSCRN	DEXA	AIC	AICSTAT	KIDEVAL	EYE	LDL	PFT	PSA		
07:15	[REDACTED]	[REDACTED]		J309-Vasomotor an...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
07:15			I4891-Atrial Fibr...	I4891-Atrial Fibr...	RCH; CCM*;	-	-	-	G	-	-	-	-	-	-	G	G	-	-	-	
07:45				E785-Hyperlipidemia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
08:15			J441-Chronic Obst...	J449-Chronic Obst...	CCM*;	-	-	G	-	-	-	-	-	-	-	G	G	-	G	-	
08:30				E669-Obesity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
09:00				E039-Hypothyroidism	-	G	-	G	G	G	-	-	-	-	-	-	-	-	-	-	-
09:15					-	-	-	-	-	-	-	G	-	-	-	-	-	-	-	-	-
09:45				E119-Diabetes	-	-	G	G	-	G	G	-	-	-	-	G	G	G	-	-	-
10:00				G43909-Migraine and...	-	-	-	-	-	-	-	G	-	-	-	-	-	-	-	-	-
10:30			I70211-Peripheral V...	N189-Chronic Kidn...	-	-	-	-	-	-	G	G	-	-	-	-	-	-	-	-	-
10:45			C3411-Cancer, Lung		CCM*;	-	-	-	-	-	-	G	-	-	-	-	-	-	-	G	-
11:00				E039-Hypothyroidism	-	-	-	-	G	-	-	G	-	-	-	-	-	-	-	-	-
13:15				M5430-Dorsalgia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13:30				F3160-Bipolar Diso...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13:45			M461-Other inflam...	C773-Secondary an...	CCM*;	G	-	G	-	-	-	-	-	-	-	-	-	-	-	-	-
13:45	C8510-Leukemias an...	F0390-Non-Alzheim...	CCM*; RCH*;	G	-	G	-	-	-	-	-	-	-	-	-	-	-	G	-		
14:15		G809-Cerebral Palsy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15:15		N926-Excessive, f...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Print Download Close

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# Next Steps in Risk Adjustment Risk Adjustment Journey

**51% to 75%+ increase**  
in risk recapture  
**2025 Goal: 85%+**  
recapture

**Optimized provider**  
**workflows** for  
enhanced coding  
compliance

**Stronger financial &**  
**quality performance**  
in ACO REACH

**Improved patient**  
**outcomes** through  
targeted risk  
adjustment strategies

**Continuous**  
**improvement** Provider  
and coding focus  
items

Data-driven workflows support **enhanced documentation,**  
**improve care delivery, and maximize financial outcomes**



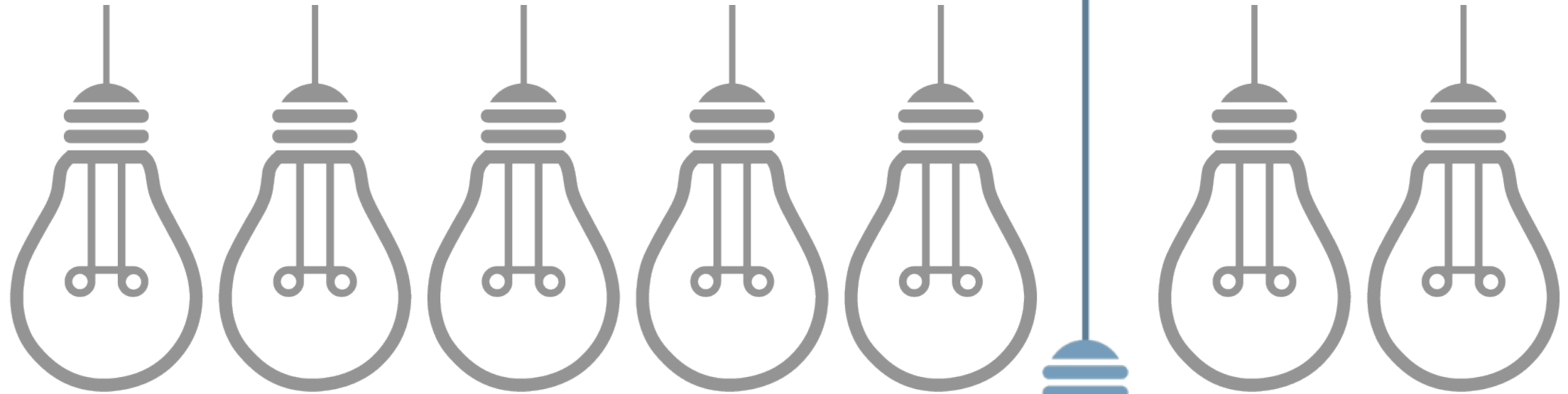
# Thank you!

Dr. Donovan Beckett | CEO

Amy Reed | Chronic Care Management Director







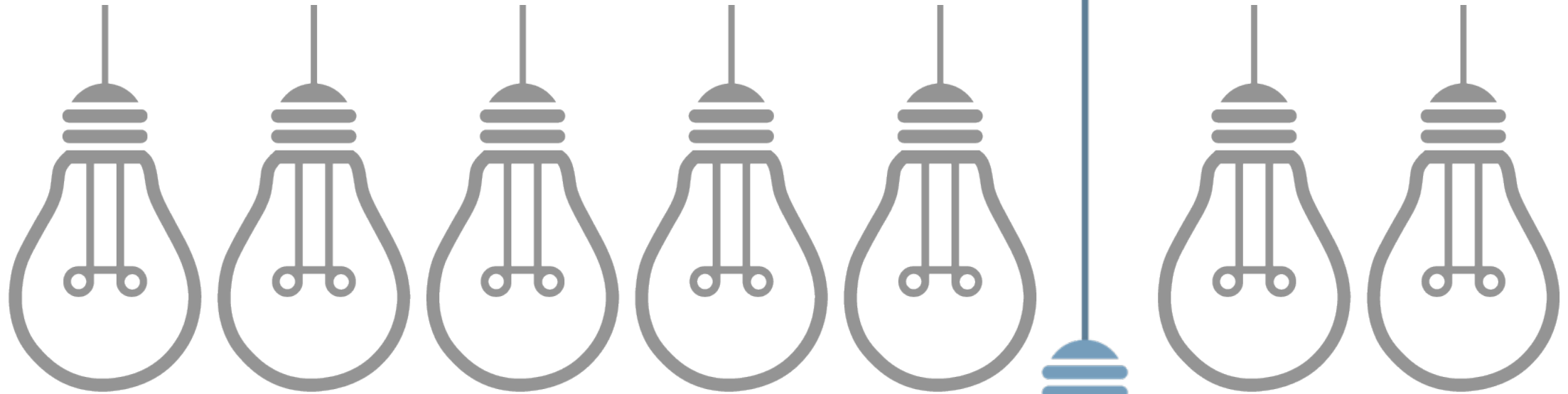
# HCC & Risk Adjustment FAQs

# Featured Speaker



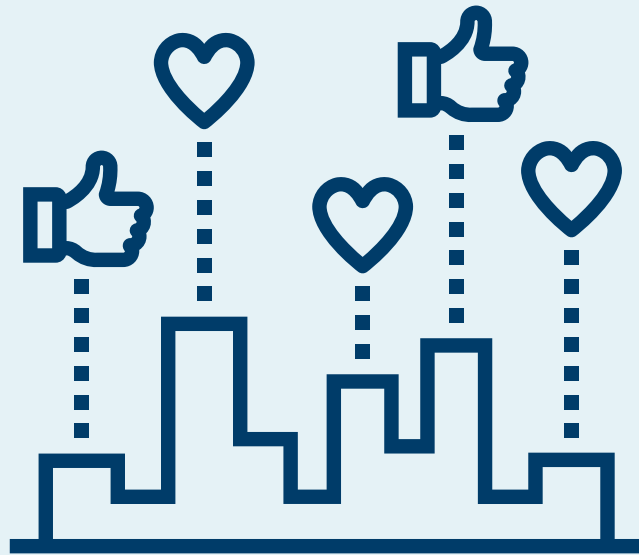
**Michael Ceballos**  
Senior Director  
Facktor

Based in Columbus, Ohio, Michael Ceballos is a Senior Director leading Facktor's value-based care work as part of the Value & Quality division. Ceballos specializes in optimizing contracts, operations, and partnerships that support risk-bearing providers to succeed in Medicare and Medicaid value-based care contracts. He brings over 15 years of experience in healthcare to Facktor, previously running profit and loss for the two largest Medicaid managed care organizations and co-leading the largest full-risk Medicare network in Ohio via a clinically integrated network. Additionally, Ceballos held leadership positions for some of the most innovative, venture capital backed healthcare delivery organizations serving Medicaid and Medicare populations. Ceballos' focus is on partnering with clients on understanding organizational readiness for value-based care contracts, identifying appropriate upside/downside risk levels, partner selection, contractual negotiations, operational readiness, practice transformation, identification of clinical savings opportunities, and on-going operational support. Ceballos obtained his bachelor of science from Stanford University and a Master of Business Administration from the University of Chicago Booth School of Business.



# Discussion & Questions





# Provide Us Feedback

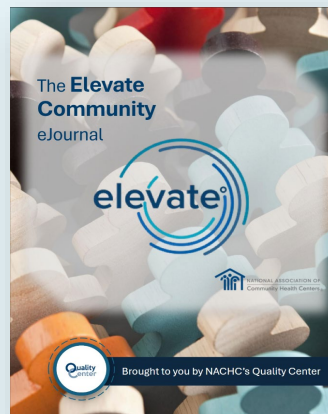
# Elevate Communications

## NACHC newsletters have been streamlined!

All future Elevate related communications can be found in

**'NACHC News You Need to Know' sent out every Wednesday.**

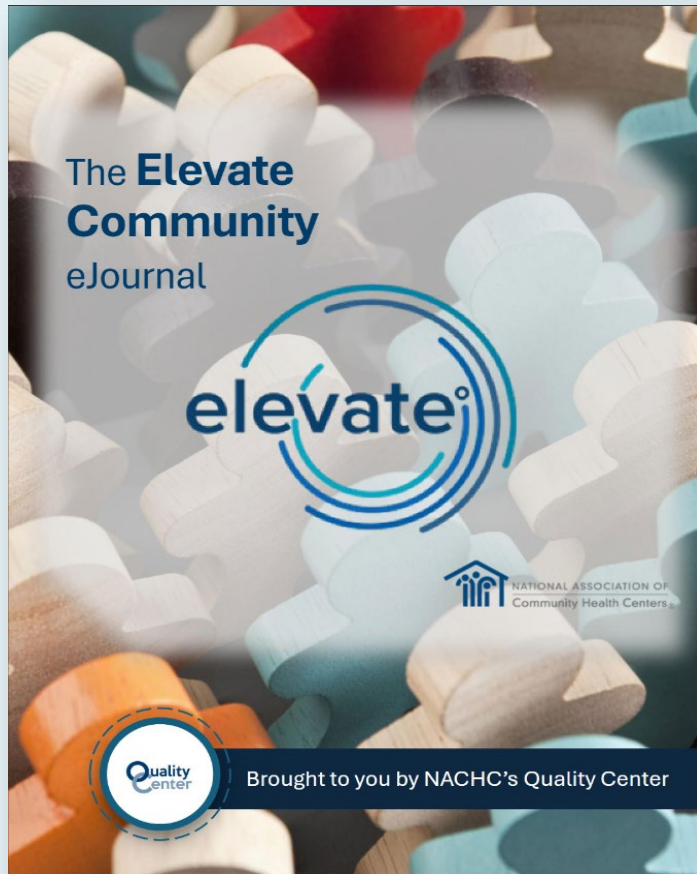
Including the NEW Elevate Community eJournal!



*(All Elevate registrants have been added to the distribution list.)*



# Elevate Community eJournal



Includes:

- ✓ Elevate session slides & recordings
- ✓ Helpful resources
- ✓ Audience FAQs

Content will be added for every Elevate Learning Forum.

**Bookmark the [link](#) for early access to session recordings and more!**

**FOR MORE INFORMATION CONTACT**  
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301.310.2250

## Next Monthly Learning Forum:

Care Management



March 11, 2024  
1:00 – 2:00 pm ET



elevate°

**Together, our  
voices elevate° all.**

**The Quality Center Team**

*Cheryl Modica, Cassie Lindholm, Holly Nicholson, Tristan Wind*

[qualitycenter@nachc.org](mailto:qualitycenter@nachc.org)