

Opportunities Emerge as

New Doors Open for HIM

Risk adjustment is the latest opportunity
for HIM to step into the spotlight.



An eBook by **Wendy Coplan-Gould, RHIA**
Barbara Hinkle-Azzara, RHIA

“Change brings about insecurity and uncertainty, but it also enables development and progress.”

– Dr Chia Thye Poh

Healthcare has experienced myriad changes in the last three decades, and there appears to be no end in sight. Ten thousand Baby Boomers reach the age of 65 and join Medicare each day, and that rate will continue unabated for another decade. Current projections estimate the Medicare trust fund will run out of money in 2026.¹ The Centers for Medicare and Medicaid Services (CMS) strives to improve care and save money and has steadily morphed from fee-for-service to risk adjustment payment models.

All of these changes present leadership opportunities for health information management (HIM). Each healthcare shift opens new doors for greater HIM visibility and career advancement. Today’s open door is risk adjustment, and HIM professionals are well positioned to cross the threshold.



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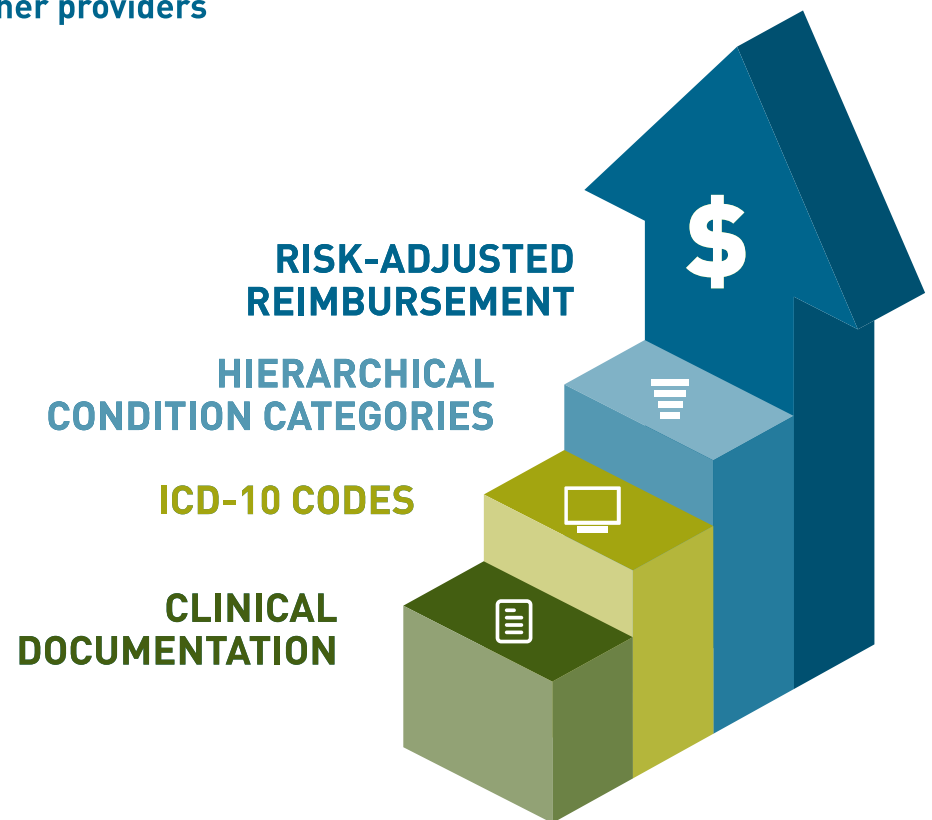
RISK ADJUSTMENT & Why It Matters to HIM

In January 2018 Medicare enrollment numbered 59.1 million. A total of 21.4 million—36.2 percent—were enrolled in Medicare Advantage (MA) plans.ⁱⁱ Risk adjustment is the process by which CMS reimburses MA plans based on the health status of its members.

- **MA plans are paid a fixed amount to provide health benefits to each member. The care is delivered by hospitals, clinicians and other providers contracted by the plan.**
- **Plans are incentivized to focus on preventive care, innovation and care coordination.**
- **Payments are based on documentation of clinical diagnoses to ensure each member receives appropriate care based on their health status.**

Clinical documentation is translated into ICD-10 codes. Diagnosis codes ultimately drive the Hierarchical Condition Categories (HCCs), which are the means by which risk-adjusted payments are determined.

HIM professionals are experts in assuring that sufficient documentation is present to ensure optimal coding and selection of appropriate HCCs to meet these reimbursement requirements.



ENGAGE at Different Levels

HIM professionals understand the process and methodology behind data collection and aggregation, and have the ability to glean meaningful information from the data.

HIM leaders must keep their eyes and ears open to new challenges facing their organizations, and embrace the opportunity to offer HIM expertise.

HIM leaders can provide expertise in:

- **Professional fee and facility coding & auditing**
- **Clinical documentation improvement**
- **HIPAA EHR compliance audits**
- **Risk adjustment oversight**

All four areas are closely related to processes HIM departments manage on a daily basis—coding, documentation, privacy and risk. Each provides a new opportunity for HIM leaders to gain visibility and leverage within their organizations, ensuring a win-win for everyone.



EXPAND Your Knowledge of HCCs

HCCs were mandated in 1997 by CMS and implemented for Medicare Advantage programs in 2003. HCCs are currently used in two major risk adjustment models: CMS-HCC and HHS-HCC.

- **Diagnosis codes are used to calculate the risk adjustment factor (RAF), which is the relative measure used to predict the cost level for the individual.**
- **More than one HCC can be assigned per encounter; not every diagnosis code maps to an HCC.**
- **At least one face-to-face individual evaluation is required annually with a qualified provider to document applicable conditions.**
- **Documentation must show the individual continues to have the condition(s) on an annual basis.**
- **Documentation must support each condition along with an assessment and management plan.**

The HHS-HCC model was created in 2014 as part of the Affordable Care Act (ACA). This model also provides a risk adjustment program in the individual and small group markets, and has a different set of guidelines and requirements than the CMS-HCC model.

Many resources on HCCs are available to HIM professionals including an AHIMA practice brief published in June 2018.ⁱⁱⁱ

Never Too Late to GROW

In September 2017, HFMA surveyed 117 senior financial executives about their organizations' readiness for risk adjustment reimbursement models.^{iv} The majority of executives did not view their organizations as highly capable in the areas that support those programs.

Most cited integration and operational gaps as barriers to achieving value-based goals. HIM professionals are highly suited to bridge the divides, identify documentation improvement opportunities and help their organizations succeed under risk adjustment.

Risk-adjusted reimbursement is the new frontier. Savvy HIM professionals can thrive in this evolving landscape by learning to navigate new payment programs while expanding opportunities for leadership roles.





Schedule your HRS Risk Adjustment Assessment

We will help you identify the gaps in your HCC and risk adjustment strategy. Call, email or visit our website.



Wendy Coplan-Gould, RHIA



Barbara Hinkle-Azzara, RHIA

HRS has been providing expert coding, auditing and documentation services to the healthcare industry since 1979.

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800.329.0365 | info@hrscoding.com

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ⁱ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Dashboard/Medicare-Enrollment/Enrollment%20Dashboard.html>

ⁱⁱ <http://www.hfma.org/ValueBasedPaymentReadiness/>

ⁱⁱⁱ http://bok.ahima.org/doc?oid=302516#.W05gN_ZFyXY

^{iv} <http://www.hfma.org/ValueBasedPaymentReadiness/>