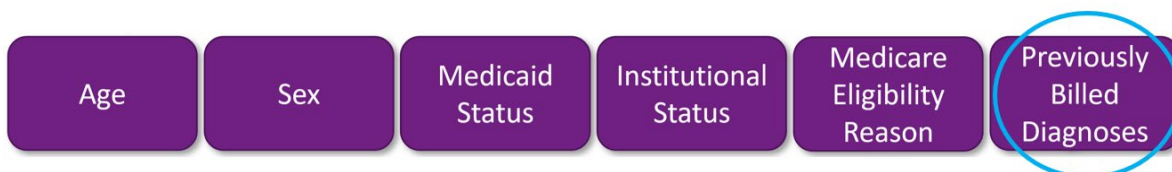


Documentation & Coding Best Practices: Risk Adjustment Overview

What is Risk Adjustment?

- Risk adjustment is an assessment of how medically complex our patients are. The HCC risk adjustment model assigns a risk score, also called the Risk Adjustment Factor (RAF), to each patient.
- This RAF score is a calculation based on the patients' fixed demographic information as well as their established chronic conditions.



- The RAF for our attributed populations is then used to predict the medical cost budget needed to care for those patients. In our value-based contracts, this is the target budget for managing total costs of care. A more medically complex patient panel will have a higher medical budget, healthier patients will have a lower budget.
- Every patient's RAF score is recalculated annually to set the following year's budget, and so all chronic conditions reported need to be reassessed, documented, and coded each year.

Why is Risk Adjustment important to providers?

- Providers can ensure RAF accuracy by thoroughly documenting the patient's conditions (using best practice M.E.A.T. criteria) and submitting accurate and specific ICD-10 codes on claims.
- Failing to report a chronic condition, or reporting a less specific code, will make patients appear healthier than they truly are. With less funds allotted, it will be more difficult to manage the patients' actual comorbidities within budget, and subsequently more difficult to achieve shared savings.
- Each HCC has an associated weight that gets added to the RAF score. In the below example, note the significant difference in RAF weight between Diabetes without vs with complications. Accurate documentation and code capture is necessary to ensure accurate risk adjustment calculation.

ICD-10 Code	Code Description	HCC	Weight
E11.9	Type 2 diabetes mellitus without complications	19	.106
E11.65	Type 2 diabetes mellitus with hyperglycemia	18	.307

Improvement in documentation for a single diagnosis can lead to nearly triple the HCC weight for this condition

- Be sure to assess, document, and code all conditions accurately and to the highest specificity at least once per calendar year. Not only will this impact risk adjustment, but also ensures the holistic management of our patients' conditions.

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