CASE STUDY: RISK ADJUSTMENT/HCC

JKA LEAN HEALTHCARE

Risk Adjustment/HCC scores

- Increase timeliness and accuracy of HCC risk data submittals (12% increase in HCC risk score; $31mm)
- Reduce reliance upon data mining, retrospective, prospective chart reviews and *sweeps week.*
- Build processes and systems to support *capture* of ICD-9 codes and proper documentation *in the exam room*
- Build internal processes and systems to manage key members year over year
- Integrate HCC processes with case management, population health, disease management and medical management resources in health plan and delivery system

LEAN SOLUTIONS: RISK ADJUSTMENT AND HCC

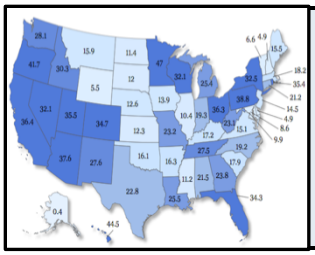
Overview: Risk adjustments and HCC scores are integral components to any successful Medicare Advantage plan. However the majority of Medicare Advantage plans have built their *code capture* process off of two primary components: (1) Claims data and (2) Chart reviews (retrospective and prospective). Although both of these elements should be part of a risk adjustment/HCC score process, to rely solely on these 'after the visit' and 'after the patient has become ill' approaches delays code capture, is retrospective in nature, and is based on the ability to *find* and *identify* candidates for 'additional coding' long after the patient has been seen (and notes have been recorded in the chart).

The challenge with risk scores is that the *codes* needed by the health plan to *risk adjust* are the ICD-9 (Dx) codes. These ICD-9 codes must come from the visit *and* be documented in the proper manner by the provider or care team. The challenge for health plans is with influencing the provider to (1) supply 'all' of the ICD-9 codes appropriate to a patient and (2) appropriately document key conditions. Health plans must accomplish this even though providers themselves do *not* need these codes (providers submit CPT codes for payment). Hence the quandary for health plans and risk adjustment.

Lean approach to Risk Adjustment/HCC: Using the Lean event process, a *risk score* capture process was developed that viewed the Medicare member *value stream* as beginning upon day of enrollment and continuing until disenrollment from the MA plan. In viewing the *value stream* from this perspective, emphasis was placed on *capture* of applicable ICD-9 codes upon *MA enrollment* and used data analytics to *not lose track of* the member as they continued receiving benefits from the plan.

In addition, key *identifiers* were defined to serve as early *leading indicators* for likely code enhancement and patient identification. These techniques were introduced to *complement* the traditional *data mining* being completed and subsequent candidate review for chart reviews.

Medicare Risk adjustment and HCC scores (improved 8% - 18%; $35+mm/year)**:** Decreasing the dependence upon traditional charts reviews for risk adjustment, impacts both the accuracy *and* timing of submitted HCC adjustments. When an HCC process is viewed *proactively* vs. *reactively,* the risk adjustment process improves in both effectiveness and timeliness (shortened by 1-2 submittal cycles sooner). *Bridging the gap between health plan and care team is the key to shifting from a reactive to a proactive model for risk adjustment.*



Lean Event: Risk Adjustment/HCC

- Created dual focus for new Medicare Advantage members and existing members. Designed "Medicare Physical" process for all new Medicare Advantage members
- Identified key identifiers for potential risk adjustment
- Used simple analytics to capture and identify members who have previously had risk scores adjusted
- Targeted education of IMO physicians on HCC scores, documentation, etc.

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