

Navigating CMS-HCC V28

A Comprehensive Guide





Abstract

This white paper aims to provide Medicare Advantage providers with valuable insights into the upcoming changes in the CMS-HCC risk adjustment models for V28 and emphasizes the critical role of a product like Credo's HCC CoPilot.

By exploring the implications of the updated models, we highlight the need for accurate and efficient risk adjustment processes to optimize reimbursement and enhance patient care.

This paper will serve as a valuable resource for healthcare professionals seeking to navigate the evolving landscape of risk adjustment.



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Introduction

The Shift to CMS-HCC V28

In the ever-evolving landscape of healthcare, Medicare Advantage (MA) providers face the ongoing challenge of accurately capturing patient risk in order to remain compliant and optimize reimbursement.

At the same time, they must stay up-to-date on frequent changes to the Hierarchical Condition Category (HCC) risk adjustment models, which are regularly updated by the Centers for Medicare and Medicaid Services (CMS.)

With the upcoming implementation of CMS-HCC Version 28, value-based care providers need to start preparing now in order to make sure they understand the changes and their implications.

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- ✓ Know how common diagnoses map to new ICD-10 codes
- ✓ Begin the risk adjustment process before the patient's first visit
- ✓ Prioritize provider education
- ✓ Automate your medical records retrieval and analysis
- ✓ Identify patients with the greatest opportunity for gap closure and encourage them to book an annual wellness visit



Transformative Approaches

This white paper aims to equip providers with valuable insights about the upcoming modifications and emphasize the crucial role of leveraging a product like Credo's HCC CoPilot for accurate, compliant risk adjustment.

HCC CoPilot is an advanced, AI-powered risk adjustment solution that enables healthcare professionals to streamline the risk adjustment process for new patients, improve documentation accuracy, and optimize reimbursement.

By leveraging HCC CoPilot, MA providers can maximize their ability to accurately identify and capture appropriate diagnoses, streamline workflows, reduce administrative burden, and ultimately enhance patient care.

In the following sections, we will delve into:

- The changes in the CMS-HCC Risk Adjustment Models for V28
- The challenges of manual risk adjustment processes
- The benefits of utilizing HCC CoPilot

We will also discuss best practices for integrating HCC CoPilot into existing workflows to ensure successful implementation and optimal outcomes.



Background on CMS-HCC Risk Adjustment Models

The Centers for Medicare and Medicaid Services (CMS) developed the Hierarchical Condition Category (HCC) Risk Adjustment Models to ensure fair and accurate reimbursement for Medicare Advantage (MA) and Prescription Drug Plan (PDP) organizations.

The primary objective of these models is to adjust payments to MA providers based on the health status and expected costs of their enrolled beneficiaries.

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The HCC Risk Adjustment Models have undergone continuous refinement over the years to improve their accuracy and effectiveness. These models consider various factors such as age, gender, and medical conditions to calculate risk scores for each beneficiary. These risk scores then determine the amount paid to providers, reflecting the expected cost of providing healthcare services to their enrolled population.



Significant Changes to the Current Risk Adjustment Models

Accurate risk adjustment is crucial for MA providers, as it directly impacts their reimbursement and in turn, their ability to deliver high-quality care.

With HCC Version 28 (V28), CMS will implement significant changes, including the removal of more than 2,000 ICD-10 codes from the current risk adjustment model.

→ Changes to Diagnostic Codes

→ Hierarchical Condition Category Updates

→ Gradual Implementation as V24 is Phased Out

More than ever before, MA providers will need to prioritize accurate and comprehensive risk adjustment in order to optimize their premiums and avoid payment retraction or fines during Risk Adjustment Data Validation (RADV) audits.

2000+
ICD-10 codes removed

29
HCCs added
(others changed or removed)

V24 | V28
34% | 66%
Model usage in 2024

Overview of HCC CoPilot

HCC CoPilot is an advanced, AI-powered solution for the retrieval and analysis of new patient medical records, designed to support value-based care providers. By combining digital records retrieval with automated record analysis, we're able to make the risk adjustment process significantly more efficient and effective for our customers.

One of the primary advantages of HCC CoPilot is its ability to accurately risk adjust prior to a patient's first visit.

One of the primary advantages of HCC CoPilot is its ability to accurately risk adjust prior to a patient's first visit. The system analyzes a variety of data sources — including electronic health records (EHRs), claims data, and clinical documentation — to identify potential HCC codes.

By using HCC CoPilot, Medicare providers can streamline their coding processes, reduce administrative burdens, and improve coding compliance. This proactive approach minimizes the risk of revenue loss or fines due to coding errors identified in a RADV audit.

1

Makes risk adjustment significantly more efficient & effective

2

Streamlines coding processes & improves coding compliance

3

Supports value-based care providers & reduces admin burdens

In summary, HCC CoPilot empowers MA providers to navigate the evolving landscape of risk adjustment with confidence. By leveraging AI-driven capabilities, providers can optimize their revenue, improve coding accuracy, and ensure compliance, all while reducing their overall time spent on records retrieval and analysis.

CMS-HCC Risk Adjustment Changes for V28

Key Modifications & Enhancements in V28

V28 of the CMS-HCC Risk Adjustment Models introduces several key modifications aimed at improving coding accuracy. Some of the notable changes include changes to condition categories, hierarchical structure refinement, and updated coefficients and weights.

Changes to Condition Categories

V28 includes a significant revision of the hierarchical condition categories, which group together the ICD-10 codes of similar conditions.

This revision includes the removal of more than 2,000 ICD-10 codes from the current model, which will require providers to be much more precise in their coding than they may have previously.

Of the new ICD-10 codes that will be added under V28, around 40% represent conditions not found in Medicare Advantage patients, including congenital diseases diagnosed in infancy and early childhood.




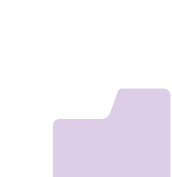
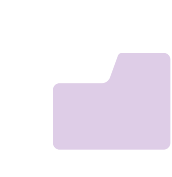


Hierarchical Structure Refinement

The hierarchy of condition categories has been refined in V28 to prioritize more severe or complex conditions.








Updated Coefficients and Weights

V28 adjusts the coefficients and weights assigned to specific condition categories to align with the latest clinical and cost data, in an effort to better align risk scores with the costs associated with different health conditions.

V28 Additions Include:

-  Anorexia Nervosa
-  Bulimia Nervosa
-  Alcoholic Hepatitis
(with and without Ascites)
-  Malignant Pleural Effusion
-  Obstruction of the Bile Duct
-  Severe, Persistent Asthma
-  Toxic Liver Disease with Hepatitis

V28 Deletions Include:

-  Protein-Calorie Malnutrition & Cachexia
-  Major Depressive Disorder
(specified as mild or in remission)
-  Certain Polyneuropathy Conditions
(including Guillain-Barre Syndrome)
-  Certain Angina Pectoris
-  Certain Peripheral Vascular Disease Conditions
-  Aortic Aneurysms without Rupture
-  Dependence on Renal Dialysis

Impact on Reimbursement & Revenue Optimization

The changes introduced in V28 have a direct impact on reimbursement rates and revenue optimization for Medicare providers. By accurately capturing and documenting the health conditions of their patients, providers can maximize their risk scores and, consequently, their reimbursement rates.

Failing to adapt to the updated models and properly document all of a patient's conditions can result in underpayment and financial losses for providers. Because a significant number of ICD-10 codes are being removed, it will be more important than ever for providers to identify every possible diagnosis, or else risk losing revenue.

Importance of Accurate Coding & Documentation

Complete and accurate documentation, along with compliant coding practices, play a vital role in risk adjustment. Now more than ever, providers will be held to higher standards around complete and accurate documentation and coding practices.

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Providers will need to understand the updated model's intricacies, code additions, deletions, and revisions, and gain a better understanding of how these code changes will impact risk adjustment and revenue for their specific patient populations.



Challenges & Pitfalls of Manual Risk Adjustment

Limitations of Traditional Coding & Documentation

Traditional coding and documentation practices in risk adjustment have inherent limitations. They rely heavily on manual processes, which can be prone to errors, omissions, and inconsistencies.

Manual coding may not always capture the full complexity and severity of a patient's health conditions, leading to incomplete or inaccurate risk scores. This limitation can result in underpayment or missed opportunities for appropriate reimbursement.

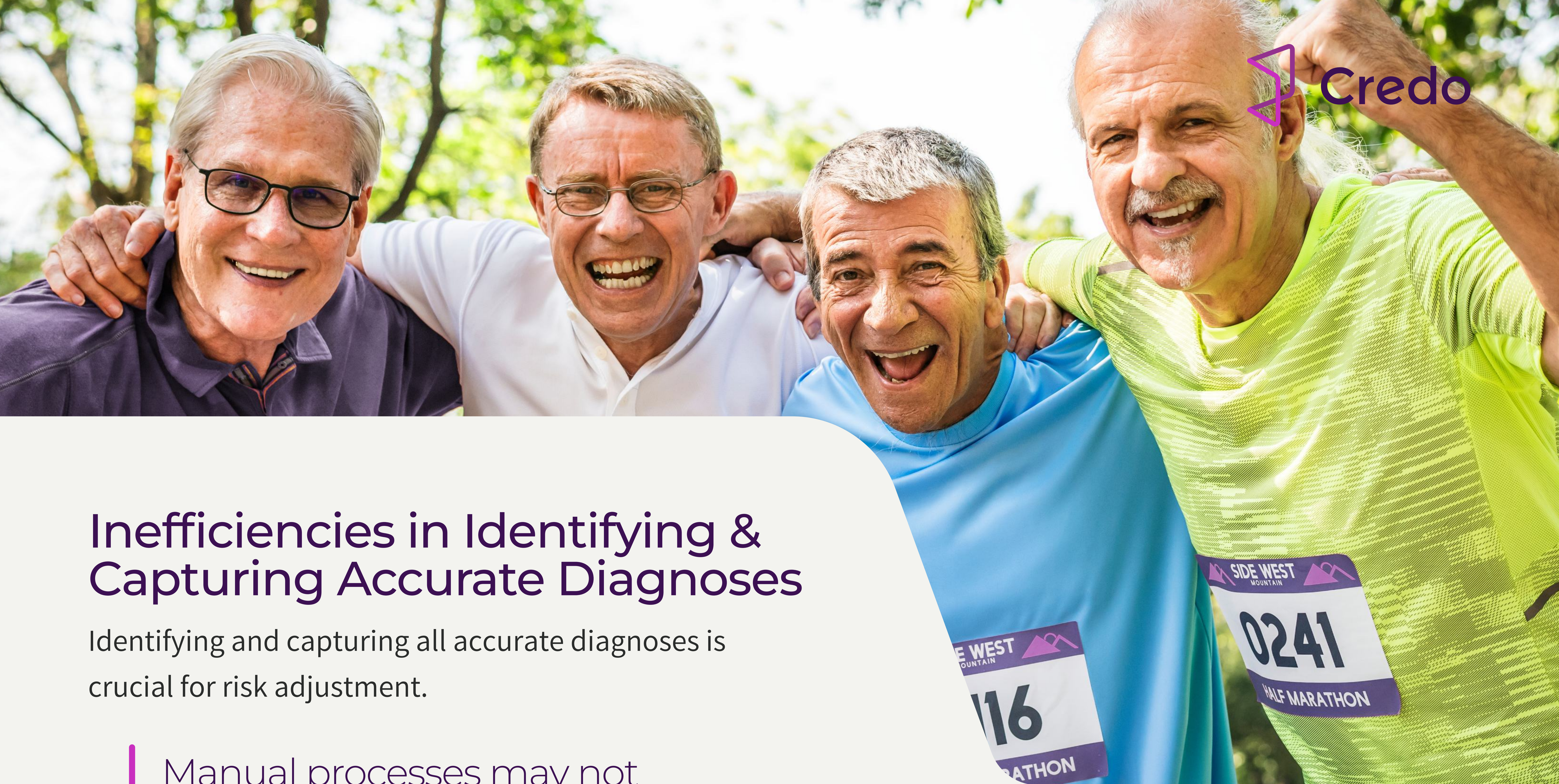
Increased Administrative Burden & Potential for Errors

Manual risk adjustment processes require significant administrative effort and can be time-consuming for healthcare providers.

The complexity of the CMS-HCC risk adjustment models — coupled with changing guidelines and evolving coding systems — increases the potential for errors in coding and documentation.

Providers often face the challenge of staying updated with the latest coding requirements, leading to administrative burden and potential compliance risks.





Inefficiencies in Identifying & Capturing Accurate Diagnoses

Identifying and capturing all accurate diagnoses is crucial for risk adjustment.

Manual processes may not efficiently capture all relevant health conditions, particularly in patients with multiple chronic conditions.

However, manual processes may not efficiently capture all relevant health conditions, particularly in patients with multiple chronic conditions or subtler manifestations of certain symptoms.

This inefficiency can result in underreporting of diagnoses and the associated risk scores, leading to lower reimbursement and a loss of revenue for the provider.

Insufficient Patient Records Prior to First Visit

Traditional risk adjustment typically occurs after the patient's first visit. As a result, that first visit is often spent discussing medical histories and filling out paperwork, which results in frustration for the patient and wasted time for the doctor.

Missed Opportunities for Appropriate Reimbursement

Manual risk adjustment processes may inadvertently lead to missed opportunities for appropriate reimbursement.

Insufficient documentation, inadequate coding specificity, or delays in capturing updated diagnoses can all contribute to lower risk scores and reimbursement rates.

Manual risk adjustment processes may inadvertently lead to missed opportunities for appropriate reimbursement.

Providers may not receive adequate compensation for the resources they invest in caring for patients with complex health needs, ultimately impacting their financial sustainability.

Optimizing Your Risk Adjustment

An Introduction to HCC CoPilot and Its Functionalities

HCC CoPilot is an advanced, AI-powered risk adjustment solution designed to assist healthcare providers in optimizing their risk adjustment processes for new patients.

It leverages cutting-edge machine learning technologies to automate coding, documentation, and risk scoring tasks. By analyzing patient data, medical records, and coding guidelines, HCC CoPilot offers a comprehensive suite of functionalities to streamline risk adjustment.

Advantages of Using an AI-Powered Risk Adjustment Solution

Utilizing an AI-powered risk adjustment solution like HCC CoPilot offers numerous advantages over traditional, manual processes. The system's ability to analyze vast amounts of data and provide real-time insights enables providers to improve the accuracy and efficiency of risk scoring.

By leveraging advanced algorithms and predictive analytics, HCC CoPilot can identify potential gaps in documentation and coding, leading to more precise risk assessment and appropriate reimbursement.



Automated Coding & Documentation Improvement

By leveraging the latest machine learning capabilities, HCC CoPilot is able to reduce the time providers spend on coding and increase their accuracy in the process.

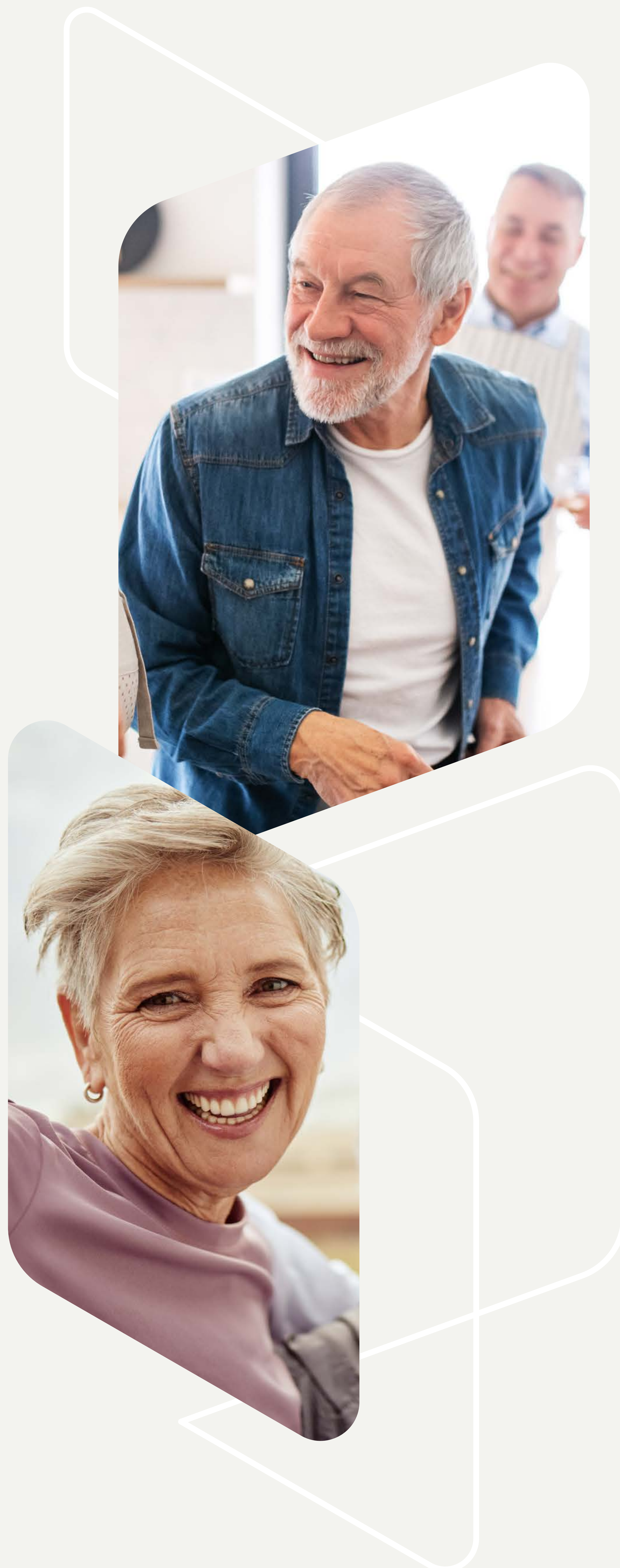
HCC CoPilot's automated process for identifying suspect HCC codes works in tandem with our team of expert coding professionals.

HCC CoPilot is able to reduce the time providers spend on coding and increase their accuracy in the process.

The system scans medical records and identifies potential diagnoses that may have been missed or underreported. It suggests appropriate codes based on the identified conditions, ensuring greater coding specificity and completeness.

This combination of AI and human interaction allows us to deliver an annotated list of suspect codes which the provider's risk adjustment team can then efficiently interpret, review, and adjust.

In this way, HCC CoPilot helps providers save time, reduce errors, and improve the overall quality of documentation.



Real-Time Insights & Predictive Analytics

One of the key strengths of HCC CoPilot lies in its ability to provide real-time insights and predictive analytics. The solution continuously analyzes patient data, medical records, and coding guidelines to identify potential risk factors and missing diagnoses.

By flagging opportunities for accurate diagnosis capture, HCC CoPilot empowers providers to proactively address gaps in documentation, improve coding specificity, and optimize risk scores.

Enhanced Coding Compliance & Reduced Audit Risks

Maintaining coding compliance is critical for healthcare providers to avoid potential audits and associated penalties. HCC CoPilot helps mitigate compliance risks by ensuring accurate and consistent coding practices.

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Our solution identifies suspect codes — keeping the latest CMS guidelines in mind — for the providers' risk adjustment teams to examine. In doing so, we're able to increase coding accuracy and reduce the likelihood of audits and associated financial risks.



Benefits of Utilizing HCC CoPilot for V28

Optimization of Hierarchical Condition Categories (HCCs) Identification

HCC CoPilot plays a crucial role in optimizing the identification of hierarchical condition categories (HCCs) within the updated CMS-HCC risk adjustment models.

By analyzing patient data and medical records, HCC CoPilot can accurately identify potential HCCs that may have been overlooked or underreported.

By analyzing patient data and medical records, HCC CoPilot can accurately identify potential HCCs that may have been overlooked or underreported. This comprehensive approach ensures that all relevant diagnoses are captured, leading to a more complete and accurate representation of patient risk profiles.

While many alternative solutions struggle to interpret unstructured data, Credo is able to analyze both structured and unstructured patient data.

Enhanced Documentation & Coding Accuracy

Documentation and coding accuracy are critical for appropriate risk adjustment and reimbursement. While many alternative solutions struggle to interpret unstructured data, Credo is able to analyze both structured and unstructured patient data.

Using machine learning, the solution identifies suspect HCC codes, and delivers them to coders and providers alike in a simplified report.

This automated approach reduces the likelihood of errors, ensures greater coding specificity, and enhances the overall quality of documentation.





Increased Revenue Capture & Reimbursement Optimization

Effective risk adjustment directly impacts a provider's revenue capture and reimbursement optimization. By leveraging HCC CoPilot, healthcare providers can identify and capture all relevant diagnoses associated with higher risk scores.

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This comprehensive approach to risk adjustment ensures that providers receive appropriate reimbursement for the care provided. By optimizing revenue capture, HCC CoPilot helps healthcare organizations achieve financial stability and sustainability.

Streamlined Workflow & Less Administrative Load

Traditional manual risk adjustment processes can be time-consuming and administratively burdensome. HCC CoPilot streamlines the workflow by automating various tasks, such as coding and documentation.

The solution integrates seamlessly with existing electronic health record (EHR) systems, allowing for a more efficient and streamlined risk adjustment process.

By reducing administrative burden and saving time, HCC CoPilot enables healthcare providers to focus on delivering quality care and improving patient outcomes, rather than spending hours chasing down medical records.

Ability to Perform Pre-Encounter Risk Adjustment for New Patients

By automating risk adjustment processes, HCC CoPilot can generate a comprehensive, readable summary of a patient's medical history before the first clinical encounter.

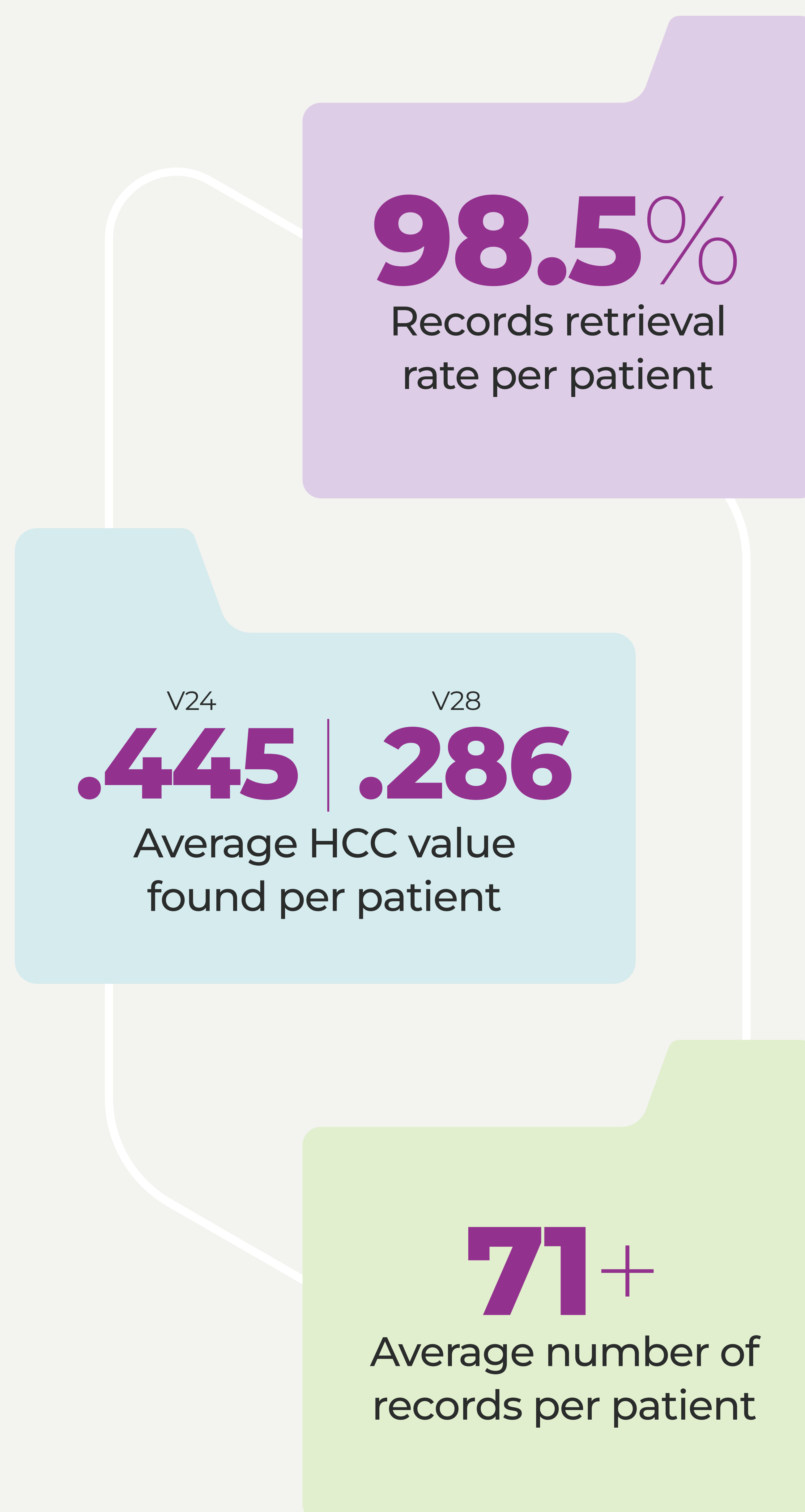
This allows providers to optimize their time with patients, because rather than spending valuable time fact-finding or trying to understand the patient's history, they can walk into the encounter with a strong understanding of the patient's past and current medical needs and diagnoses.

Validated Results Showing HCC CoPilot's Value under HCC V28

In a validated study of 270 patients by Wakely Consulting Group, HCC CoPilot had a 98.5% records retrieval rate and was able to pull an average of 71 records per patient.

When risk adjusting under the V28 model, HCC CoPilot increased the average patient risk score from 1.1260 to 1.5360, a 36% change.

These results represent a significant increase in revenue for at-risk providers using HCC CoPilot, as well as the ability to better understand patient medical histories and deliver higher quality care as a result.



Credo Health improves front and back office efficiency by reducing staff time on faxing records and coding review.

Best Practices for Integrating HCC CoPilot into Medicare Risk Adjustment Processes

Incorporating HCC CoPilot into Existing EHR Systems

The Credo Health team understands that it is crucial to deliver information in a way that suits each provider's EHR and established work flows. We work with our partners to ensure optimized delivery of our analysis to help minimize disruption and inefficiencies.

Establishing Workflows for Efficient Integration & Implementation

Integrating HCC CoPilot into Medicare risk adjustment processes requires careful planning and workflow design. It is important to assess current processes and identify areas where HCC CoPilot can be seamlessly integrated. This may involve establishing standardized protocols for data entry, coding, and documentation that align with the capabilities of HCC CoPilot.

By streamlining workflows and aligning them with the solution, healthcare providers can achieve efficient integration and implementation, resulting in improved risk adjustment outcomes.



Conclusion

Recap of the V28 CMS-HCC Risk Adjustment Models

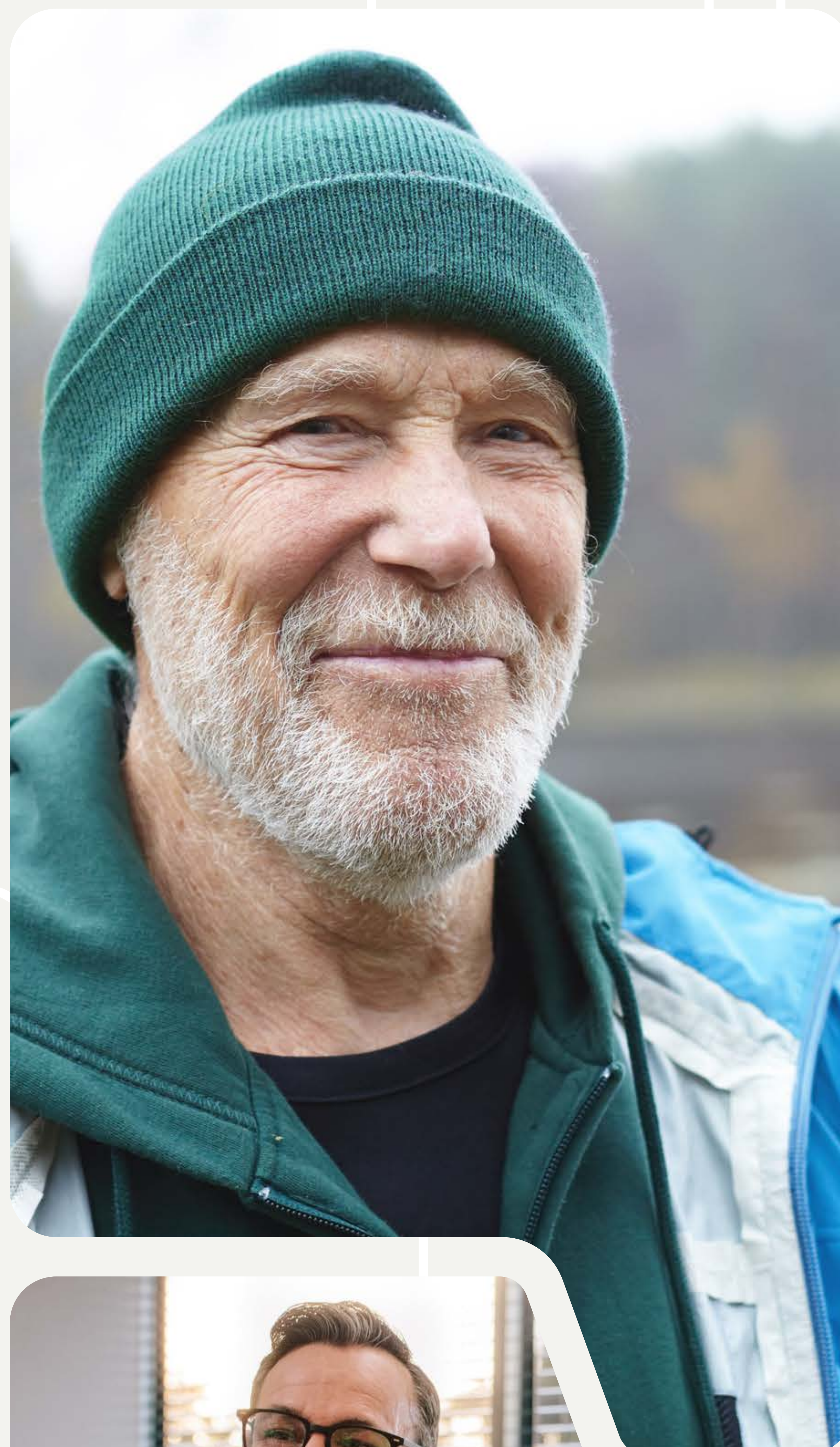
The CMS-HCC risk adjustment models are constantly evolving to accurately reflect the health status of Medicare beneficiaries.

With the release of the updated CMS-HCC V28, healthcare providers must stay informed about the changes and adapt their risk adjustment processes accordingly. These updates aim to enhance accuracy, improve risk stratification, and ensure appropriate reimbursement for healthcare organizations.

Importance of Leveraging a Product like HCC CoPilot for Optimal Outcomes

In the face of evolving CMS-HCC risk adjustment models, leveraging advanced technologies like HCC CoPilot becomes crucial for healthcare providers. HCC CoPilot offers an AI-powered solution that streamlines risk adjustment processes, automates coding and documentation, and provides real-time insights for accurate diagnosis capture.

By utilizing HCC CoPilot, healthcare organizations can enhance their coding accuracy, improve risk stratification, optimize revenue capture, and reduce administrative burden.



Summary of Benefits & Best Practices for Successful Implementation

Integrating HCC CoPilot into MA risk adjustment processes offers numerous benefits and opportunities for healthcare providers.

By adopting HCC CoPilot, healthcare organizations can optimize HCC coding, improve accuracy in patient risk stratification, enhance documentation and coding accuracy, increase revenue capture, and streamline workflows.

Leveraging a product like HCC CoPilot for new patient risk adjustment can significantly enhance coding accuracy, risk stratification, and revenue optimization.

To successfully implement HCC CoPilot, it is essential to incorporate the solution into existing EHR systems, provide training and onboarding for staff, establish efficient workflows, and leverage HCC CoPilot reports and analytics for actionable insights.

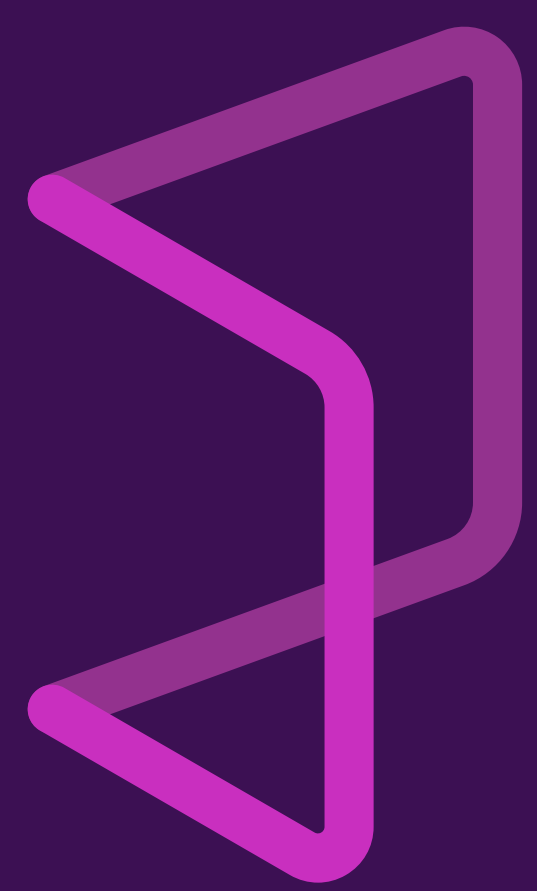
In conclusion, the updated CMS-HCC risk adjustment models for V28 present healthcare providers with new challenges, as well as the opportunity to optimize their risk adjustment processes and ensure accurate reimbursement.

Leveraging a product like HCC CoPilot for new patient risk adjustment can significantly enhance coding accuracy, risk stratification, and revenue optimization.

By implementing best practices and embracing HCC CoPilot's functionalities, healthcare organizations can achieve improved financial outcomes, enhanced coding compliance, and better patient care.

Stay ahead of the evolving risk adjustment landscape and leverage the power of HCC CoPilot for optimal results.





Credo

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