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Introduction to HCC Coding (PM&R)



Types of Coding

❖ Evaluation and management (E&M) coding *

- E/M services represent a category of Current Procedural Terminology (CPT) codes used for billing purposes.
- Most patient visits require an E/M code, and these are used to determine provider reimbursement.
- There are different levels of E/M codes (99213, 99204, etc.) which are determined by the complexity (or length of time) of a patient visit and documentation requirements.
- CPT codes are also used to bill for procedures.

❖ HCC “complexity” coding



*Adapted from AAFP / Family Physician / Practice and Career / Getting Paid / Coding / Coding for E/M Services

What is HCC coding?



- Hierarchical condition category (HCC) coding is a **risk-adjustment model** originally designed to estimate future health care costs for patients.



Hierarchical condition category (HCC) coding

- HCC coding is based on patient complexity.
- Along with demographic factors (such as age and gender), insurance companies use HCC coding to assign patients a risk adjustment factor (RAF) score.
- HCC codes represent costly chronic health conditions, as well as some severe acute conditions.
- Of the approximately 70,000 ICD-10 codes, about 9,500 map to HCC categories.*

*Adapted from <https://www.asahq.org/quality-and-practice-management/managing-your-practice/timely-topics-in-payment-and-practice-management/an-introduction-to-hierarchical-condition-categories-hcc>

Why is HCC coding important?



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- In recent years, there has been a shift away from a “fee-for-service” model (where providers are paid for each service that they perform) to a “value-based” model (where healthcare teams are paid based on patient health outcomes).
- Therefore, it is crucial that the providers’ documentation accurately reflects the true illness burden of their patients (as this directly impacts reimbursement).



How do HCCs impact reimbursement?



- * HCCs directly impact the amount of money received by healthcare organizations participating in “value-based” contracts.
- * Patients with high HCCs are expected to require intensive medical treatment, and clinicians that enroll these high-risk patients are reimbursed at higher rates than those with enrollees who have low HCCs.
- * Organizations who do not document HCC codes properly or to the highest specificity will not receive the additional reimbursement amount for applicable patients.
- * The ability to document with greater precision can dramatically impact payment amounts.



Economic Formula

$$\text{Surplus/Deficit} = (\text{Budget} - \text{Expenses}) + \text{Quality}$$



Total Members
Demographics
ICD-10 Codes

ER Visits
Readmissions
SNF LOS
Network Integrity
Unnecessary testing/care

BP Control
DM Control
Cancer screening
Immunizations
Patient Satisfaction

When should I include these HCC diagnoses?



Remember to include the appropriate HCC diagnosis codes whenever you are:

- A. Managing the specific problem during the visit
 - evaluating, ordering tests, prescribing medications, sending a referral, etc.
- B. Assessing the stability of the problem at the visit (even if it is being managed by an outside specialist)

-OR-

- C. The problem directly impacts your medical decision making
 - You want to prescribe steroids, but the patient is diabetic.
 - You want a contrast imaging study, but the patient has CKD.



Risk Adjustment and HCC Coding



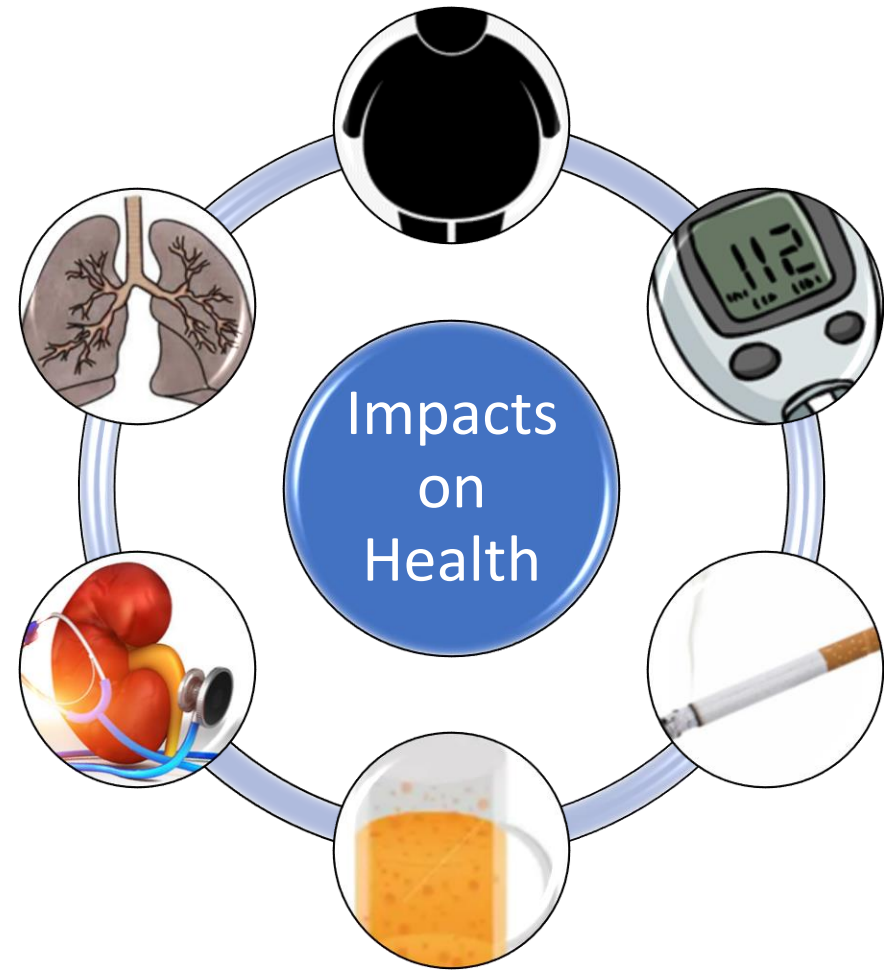
PM&R
Physical Medicine
and Rehabilitation

Common PM&R Diagnoses*

- Back & Neck Pain
 - Strokes
 - Brain Injuries
 - Neuromuscular Disorders
 - Sports Injuries
 - Work Injuries
 - Spinal Injuries
 - Arthritis
 - Carpal Tunnel
 - Herniated Disc
 - Sciatica
 - Fibromyalgia
 - Parkinson's / Multiple Sclerosis / Guillain-Barre
 - Pelvic Floor Disorders
- These diagnoses have additional risk adjustment value.
-

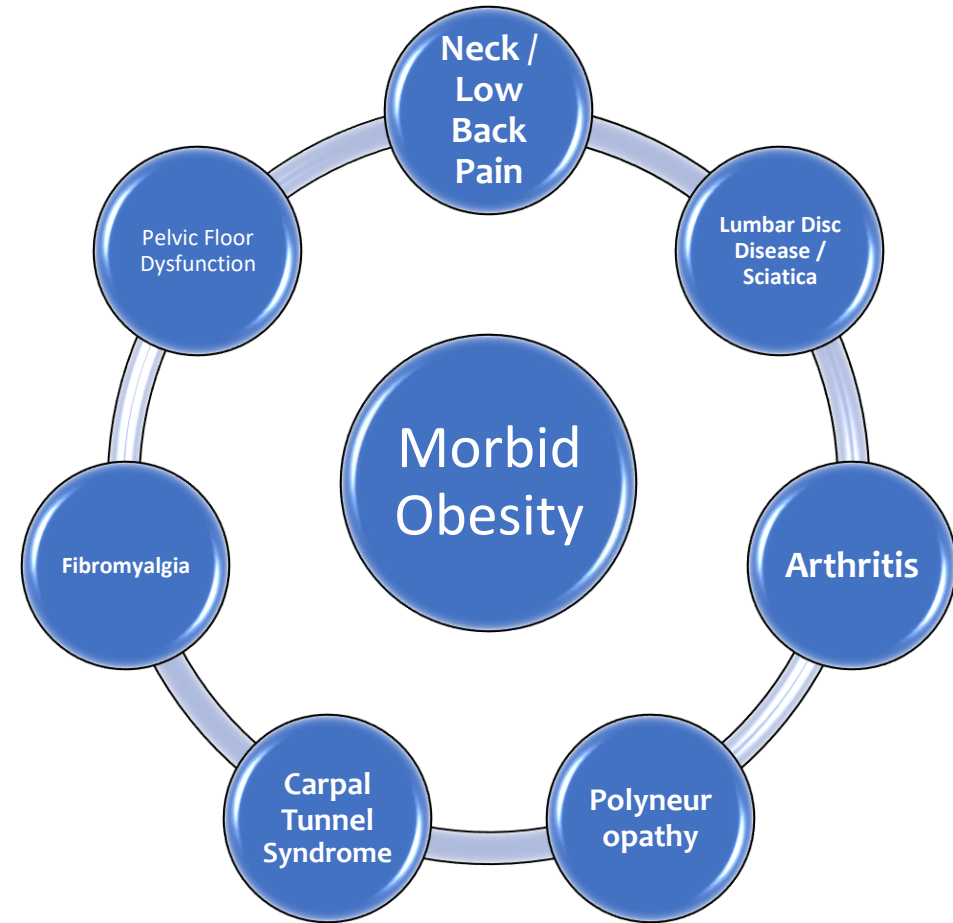
*<https://www.pennmedicine.org/physical-medicine-and-rehabilitation-faqs#what-are-the-most-common-medical-conditions-treated-by-a-physiatrist>

While it's true that most of the other common diagnoses do not have additional risk adjustment value, consider the impact that the following HCC associated comorbidities have on the presenting problem or your medical decision making.



Morbid Obesity [E66.01]

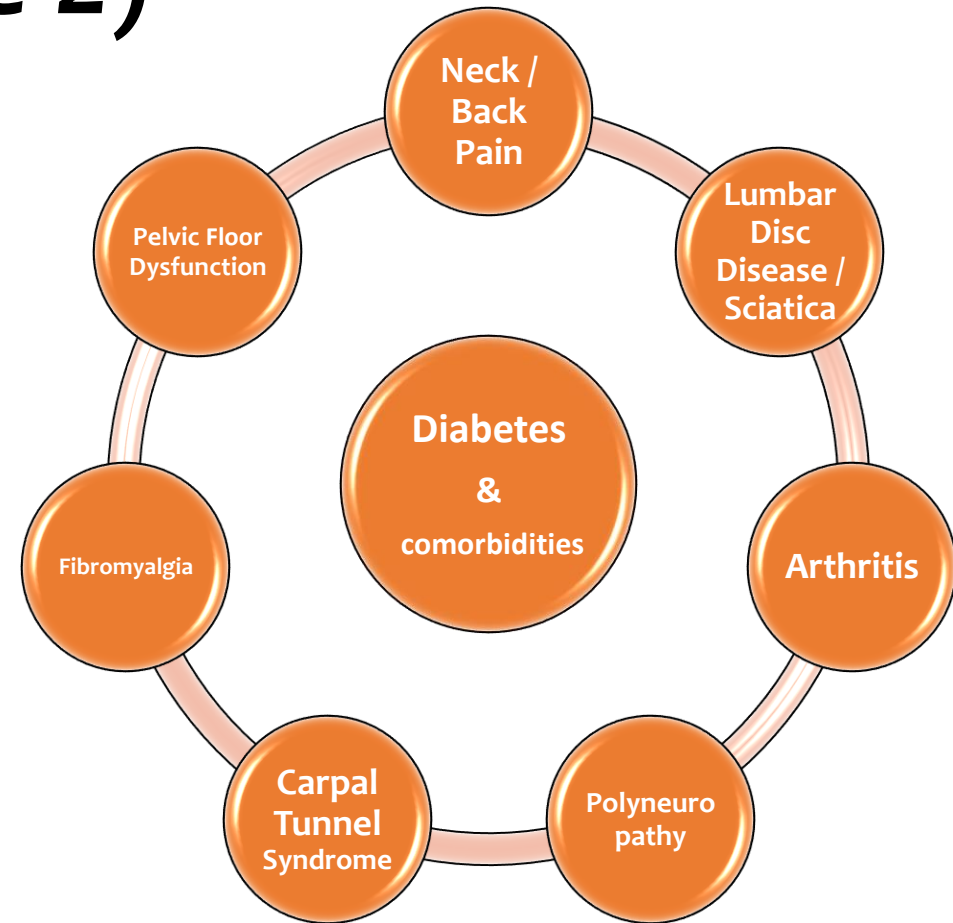
- The US obesity prevalence was 41.9% in 2017.*
- Morbid obesity is defined as a BMI of 40+, or a BMI of 35-40 with any comorbid condition impacted by weight (HTN, DM, hyperlipidemia, OSA, etc.)
- Obesity has been associated with an increased incidence of neck / low back pain, lumbar disc disease, sciatica, arthritis, polyneuropathy, carpal tunnel syndrome, fibromyalgia and pelvic floor dysfunction.



*<https://www.cdc.gov/obesity/data/adult.html>

Diabetes (Type 1 & Type 2)

- In the U.S., 37.3 million people have diabetes (11.3% of the population).*
- Diabetes (and its comorbidities) has been associated with an increased risk for neck / back pain, lumbar disc disease, sciatica, arthritis, polyneuropathy, carpal tunnel syndrome, fibromyalgia and pelvic floor dysfunction.
- The presence of diabetes may also have an impact on your medical decision making when it comes to prescribing medications.

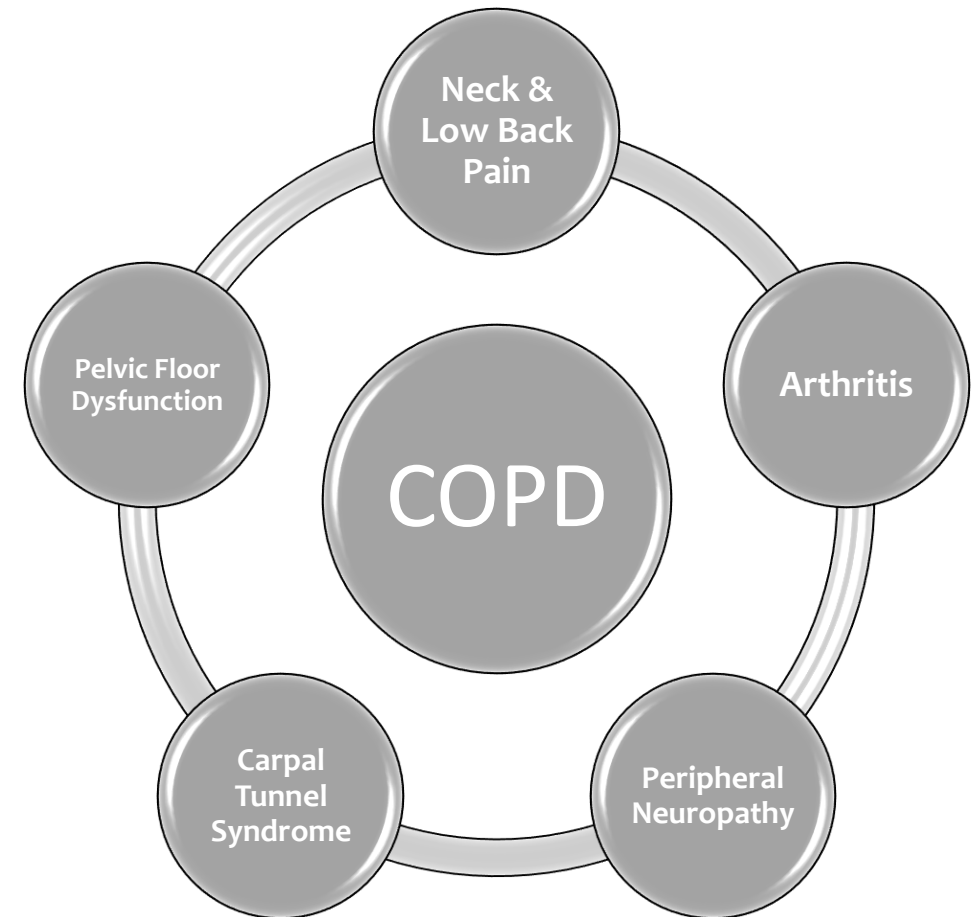


*<https://www.cdc.gov/diabetes/data/statistics-report/index.html>

COPD [J44.9]

- Almost 15.7 million Americans (6.4%) reported that they have been diagnosed with COPD.*
- COPD has been associated with an increased risk for chronic neck and low back pain, arthritis, peripheral neuropathy, carpal tunnel syndrome and pelvic floor dysfunction.^

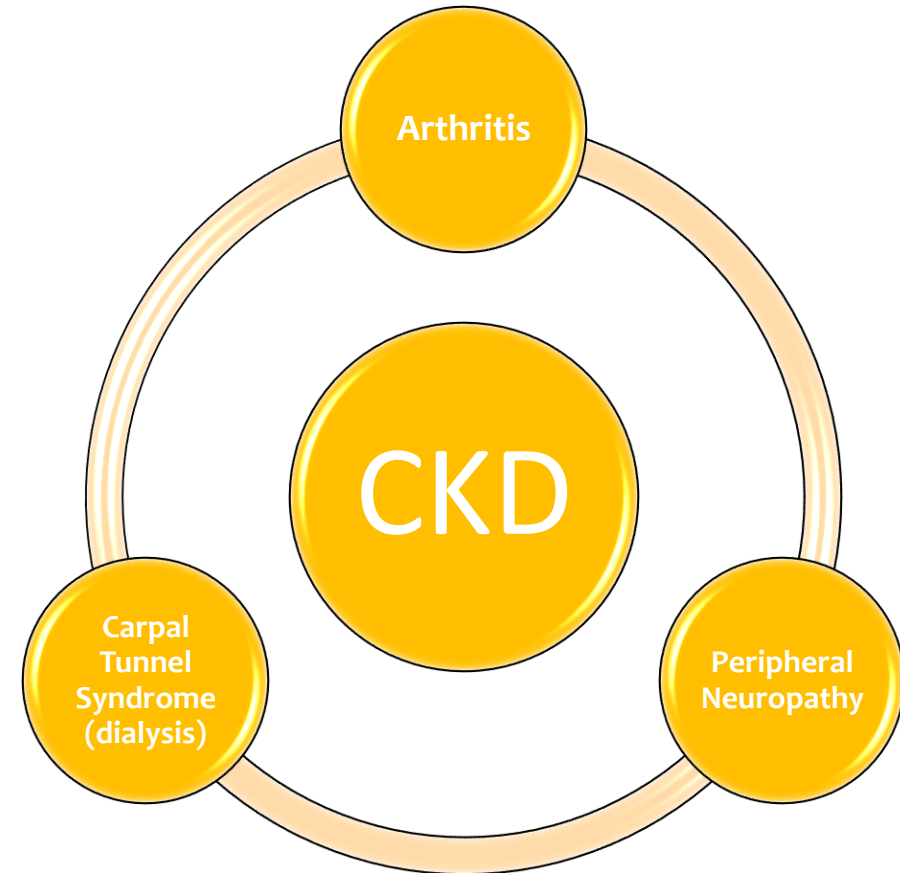
*<https://www.cdc.gov/copd/basics-about.html>



^Data gathered from the following sources: Pulmonary Advisor (2020), CDC (2019), NIH NCBI (2001, 2020, 2021)

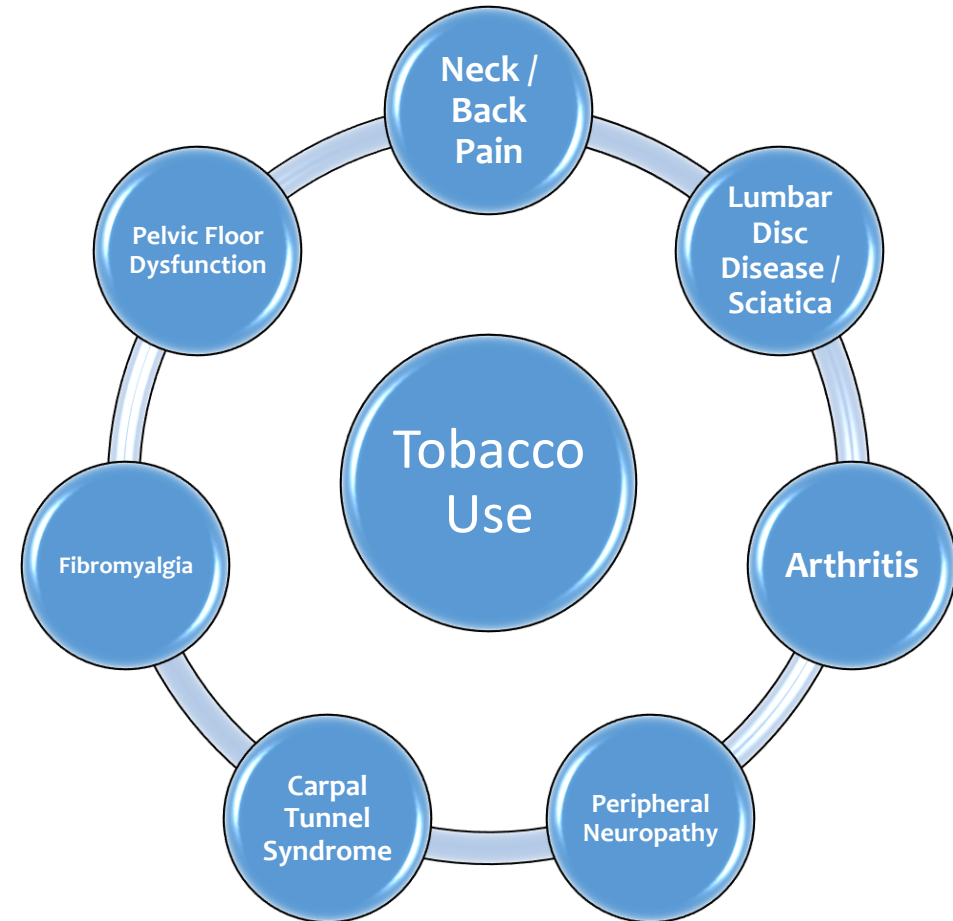
Chronic Kidney Disease [N18.9]

- Almost 37 million US adults (15%) are estimated to have CKD.*
 - CKD 3 => GFR <60
 - CKD 4 => GFR <30
 - CKD 5 => GFR <15
- CKD has been associated with an increased risk for arthritis, peripheral neuropathy, and carpal tunnel syndrome in dialysis patients.
- The presence of CKD may also have an impact on your medical decision making when it comes to prescribing medications.



Tobacco Use [Z72.0]^

- In 2020, an estimated 30.8 million U.S. adults currently smoked cigarettes.*
- Nearly 5.7 million adults reported current use of smokeless tobacco products.*
- Tobacco use has been associated with an increased risk for risk for neck / back pain, lumbar disc disease, sciatica, arthritis, peripheral neuropathy, carpal tunnel syndrome, fibromyalgia and pelvic floor dysfunction.

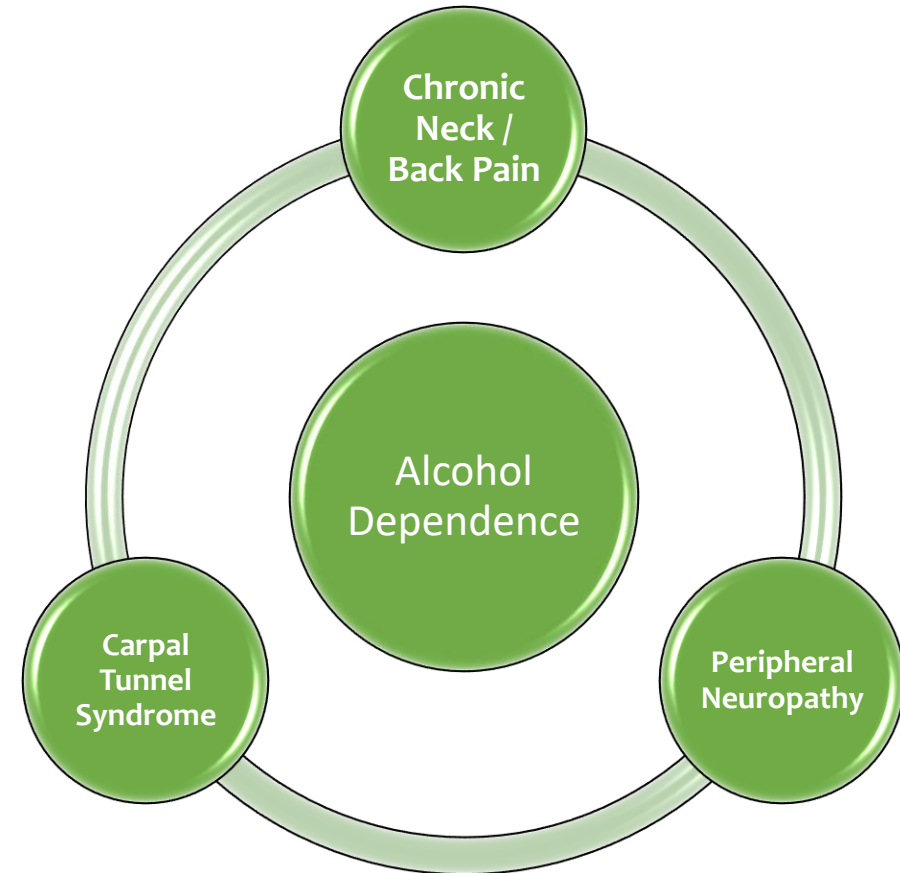


*<https://www.cdc.gov>

^ This diagnosis has no additional RAF value

Alcohol Dependence [F10.20]

- In 2019, 25.8 percent of people ages 18 and older reported that they engaged in binge drinking in the past month, and 6.3 percent reported that they engaged in heavy alcohol use in the past month.*
- Excessive alcohol use has been associated with an increased risk for chronic neck / back pain, peripheral neuropathy and carpal tunnel syndrome.
- The presence of alcohol dependence may also have an impact on your medical decision making when it comes to prescribing medications.



*<https://www.niaaa.nih.gov/publications/brochures-and-fact-sheets/alcohol-facts-and-statistics>

A note on Depression

- According to a recent study examining relationships between psychosocial factors, depression and musculoskeletal disorders, they “found a relationship between depressive disorder and musculoskeletal complaints in the upper limbs, lower limbs, and back.” *
- Providers evaluating patients for chronic musculoskeletal complaints should take this into account and consider screening these patients for depression. Positive results should be treated or referred to a behavioral health professional.
- If the patient already has a diagnosis of major depression, and you feel that this is impacting their chronic MSK pain, it can be coded for.



*<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6390562/#:~:text=The%20present%20study%20found%20a,among%20patients%20with%20musculoskeletal%20disorders.>

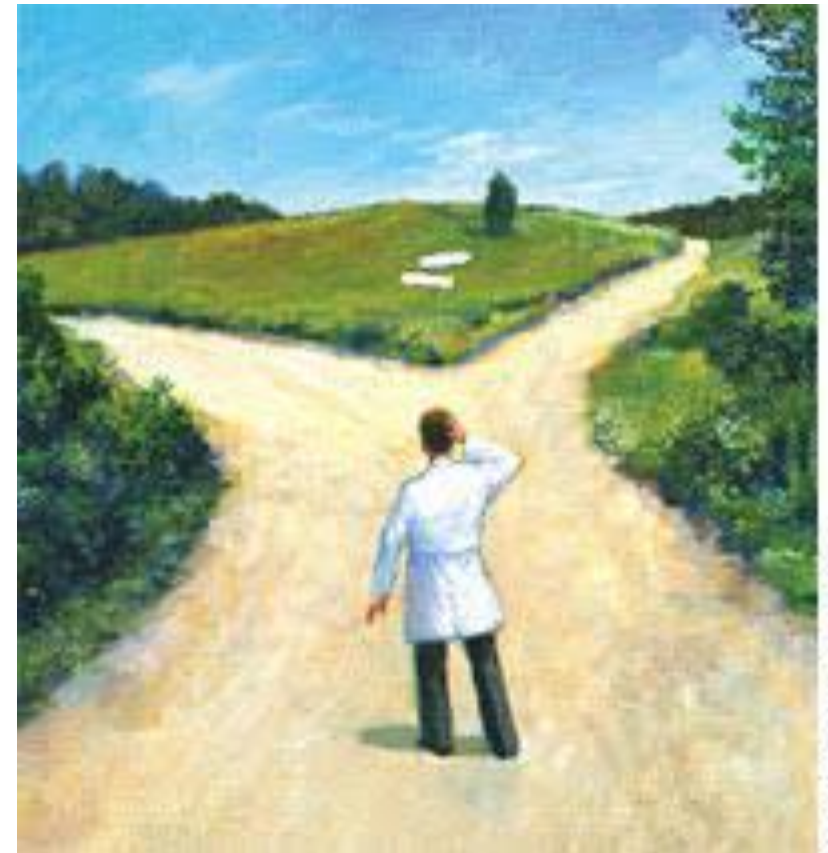
Coding for Major Depression

When coding for Major Depression, you must have a total of 5 symptoms for at least 2 weeks. One of the symptoms must be depressed mood or loss of interest.

1. Depressed mood. ✓
2. Markedly diminished interest or pleasure in all or almost all activities. ✓
3. Significant (>5% body weight) weight loss or gain or increase or decrease in appetite.
4. Insomnia or hypersomnia.
5. Psychomotor agitation or retardation.
6. Fatigue or loss of energy.
7. Feelings of worthlessness or inappropriate guilt.
8. Diminished concentration or indecisiveness.
9. Recurrent thoughts of death or suicide.

Influence on Medical Decision Making

In addition to the impact that these comorbid medical conditions have on the underlying diagnosis, they may also influence your medical decision making when it comes to the available treatment options.



Example

- A 68-year-old female with poorly controlled type 2 diabetes presents for evaluation of chronic low back pain. Her BMI is 38.2 After evaluation, you feel that her morbid obesity is contributing to her chronic back pain and her poorly controlled diabetes is impacting your decision making re: a steroid injection.

Scenario 1	Scenario 2
Chronic Low Back Pain (M54.5)	Chronic Low Back Pain (M54.5)
	Type 2 Diabetes with unspecified complications (E11.8)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = \$3,100/year	Approx Budget = \$8,400/year

Example

- A 65-year-old male is seeing you in the office for re-evaluation of carpal tunnel. He has COPD from years of smoking, and a history of regular daily alcohol consumption. His BMI is 42. After evaluation, you feel that his COPD, morbid obesity and alcohol consumption are all playing a role in his carpal tunnel syndrome.

Scenario 1	Scenario 2
Carpal Tunnel Syndrome (G56.0)	Carpal Tunnel Syndrome (G56.0)
	COPD (J44.9)
	Alcohol dependence (F10.20)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = \$3,000/year	Approx Budget = \$11,700/year

Rules of Thumb

- Code more specifically when possible
- Code for everything addressed and documented
 - **Include diseases that impacted decision making**
 - CKD impacting medication choices
 - DM impacting whether to prescribe steroids
- Code chronic conditions yearly*

*Although chronic conditions are ongoing, providers must document a patient's chronic condition and recapture the ICD-10 code annually to maintain the patient's HCC risk score. This includes amputations and ostomies.

