Introduction to HCC Coding (Pulmonary)

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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**

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

What is HCC coding?

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

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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.*

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*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).

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How do HCCs impact reimbursement?

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* 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.

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*Adapted from https://www.imohealth.com/ideas/article/hcc-101-what-you-need-to-know-about-hierarchical-condition-categories

Economic Formula

Total Members
Demographics
ICD-10 Codes

ER Visits
Readmissions
SNF LOS
Network Integrity
Unnecessary testing/care

Surplus/Deficit = (Budget – Expenses) + Quality

BP Control
DM Control
Cancer screening
Immunizations
Patient Satisfaction

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When should I include these HCC diagnoses?

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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.

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Risk Adjustment and HCC Coding

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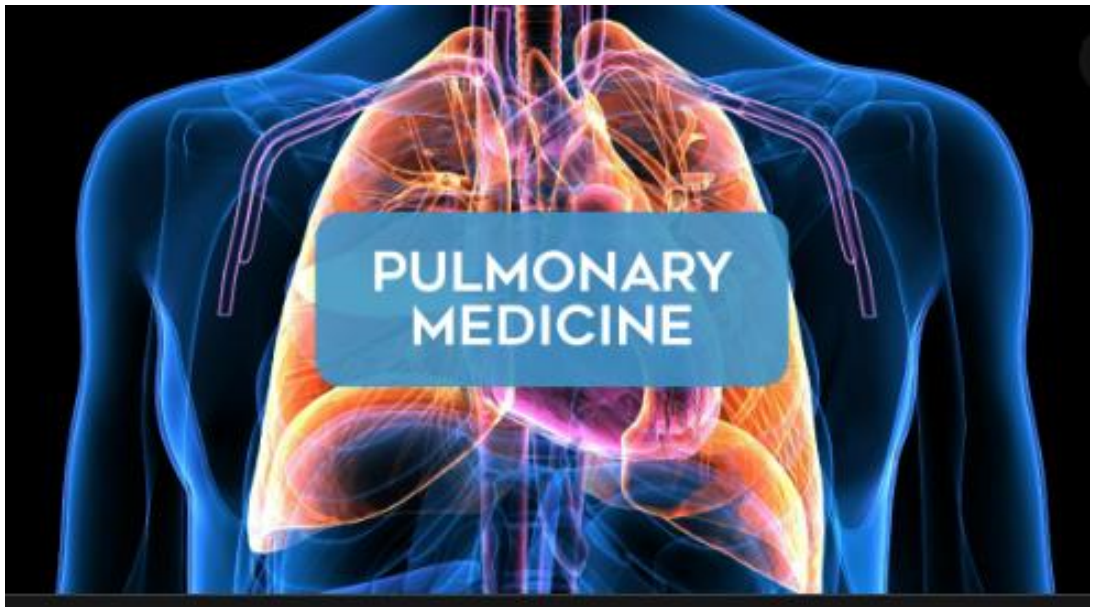


Common Pulmonary Diagnoses

- Asthma
- COPD
- Acute Bronchitis
- Pneumonia
- Pneumothorax or Atelectasis
- Cystic Fibrosis
- Tuberculosis
- Lung cancer
- Pulmonary edema
- Pulmonary embolus
- Sleep apnea

These diagnoses have additional risk adjustment value.

Lung Cancer Statistics*

- Lung cancer is the third most common cancer in the United States.

- More people in the United States die from lung cancer than any other type of cancer.

- In 2019, the latest year for which incidence data are available, in the United States, 221,097 new cases of Lung and Bronchus cancer were reported, and 139,601 people died of this cancer.

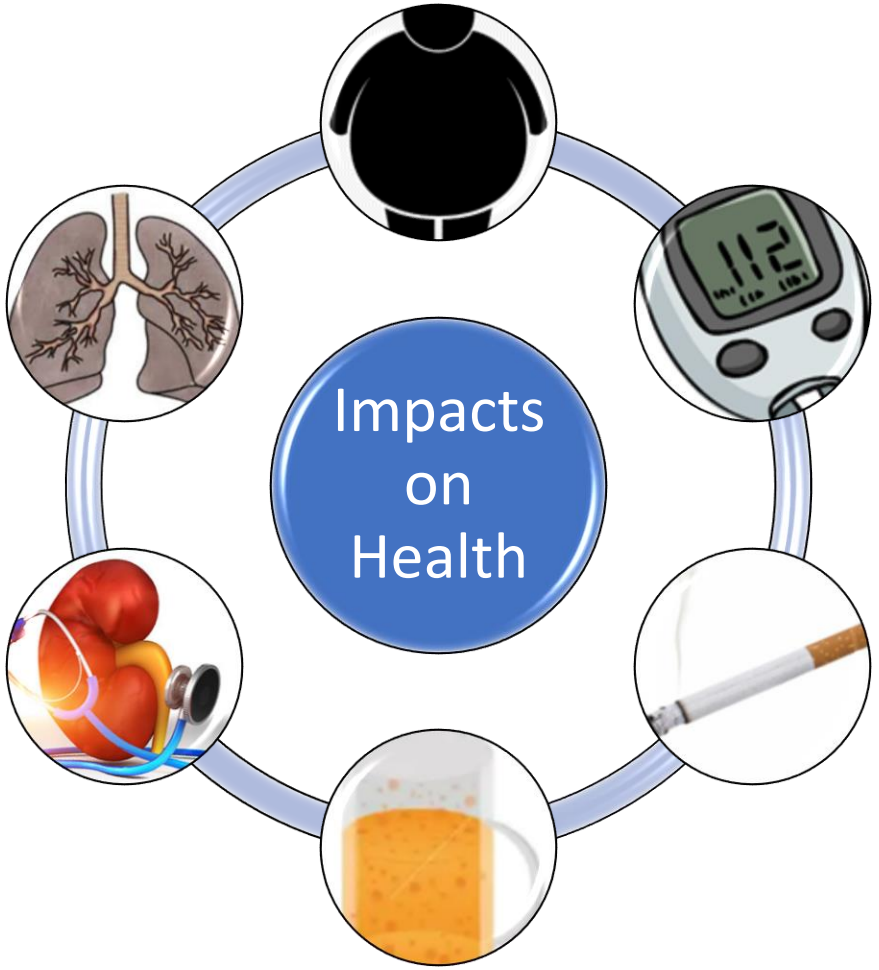
*https://www.cdc.gov/cancer/lung

Coding for Pulmonary Cancers

Two important points to remember:

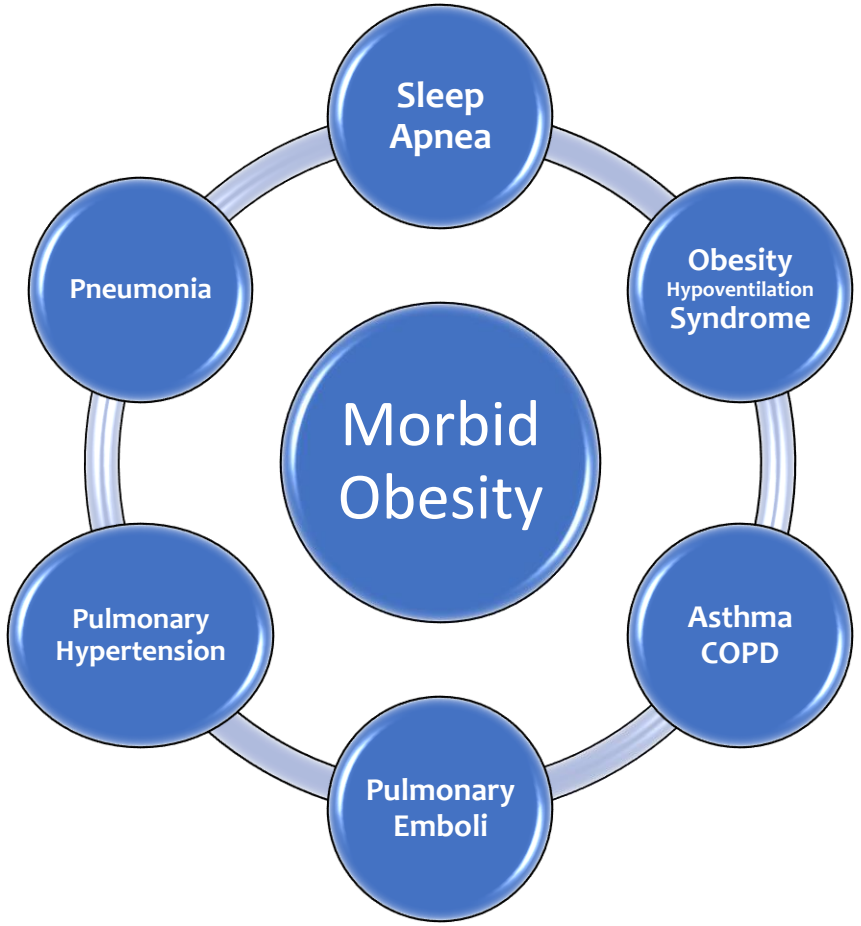
- Unless the patient is receiving active treatment (hormone therapy such as Tamoxifen or Leuprolide, Aromatase inhibitors such as Letrozole, and targeted therapy combinations such as Palbocicib, counts); you must code for a “history of” cancer.
- If there is evidence of metastatic disease, please include the site of the metastases (i.e., history of lung cancer [Z85.118] and secondary malignant neoplasm to the bone [C79.51]).

While it’s true that many of the 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 risk for sleep apnea, obesity-hypoventilation syndrome (OHS), Asthma / COPD, and the development of deep vein thrombi, pulmonary emboli, pulmonary hypertension, and pneumonia.^

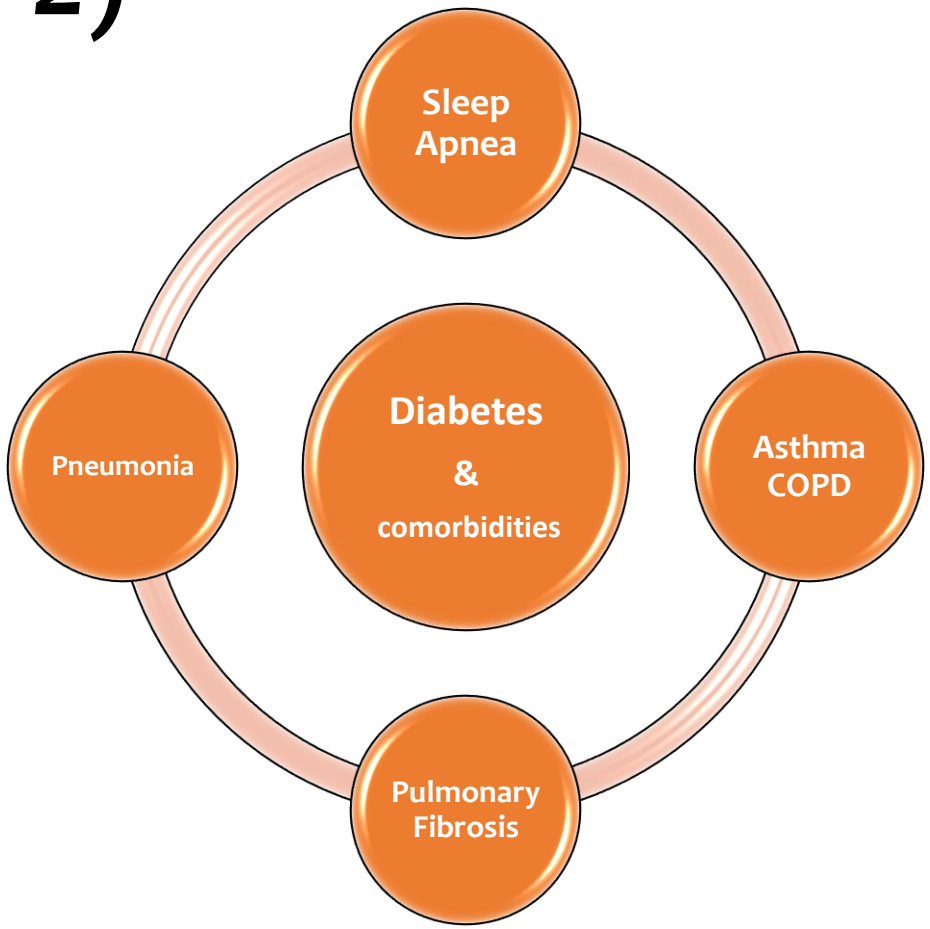


*https://www.cdc.gov/obesity/data/adult.html

^https://pubmed.ncbi.nlm.nih.gov/19029235

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 several pulmonary conditions (asthma, COPD, fibrosis, and pneumonia) but not lung cancer.^
- The presence of diabetes may also have an impact on your medical decision making when it comes to prescribing medications.

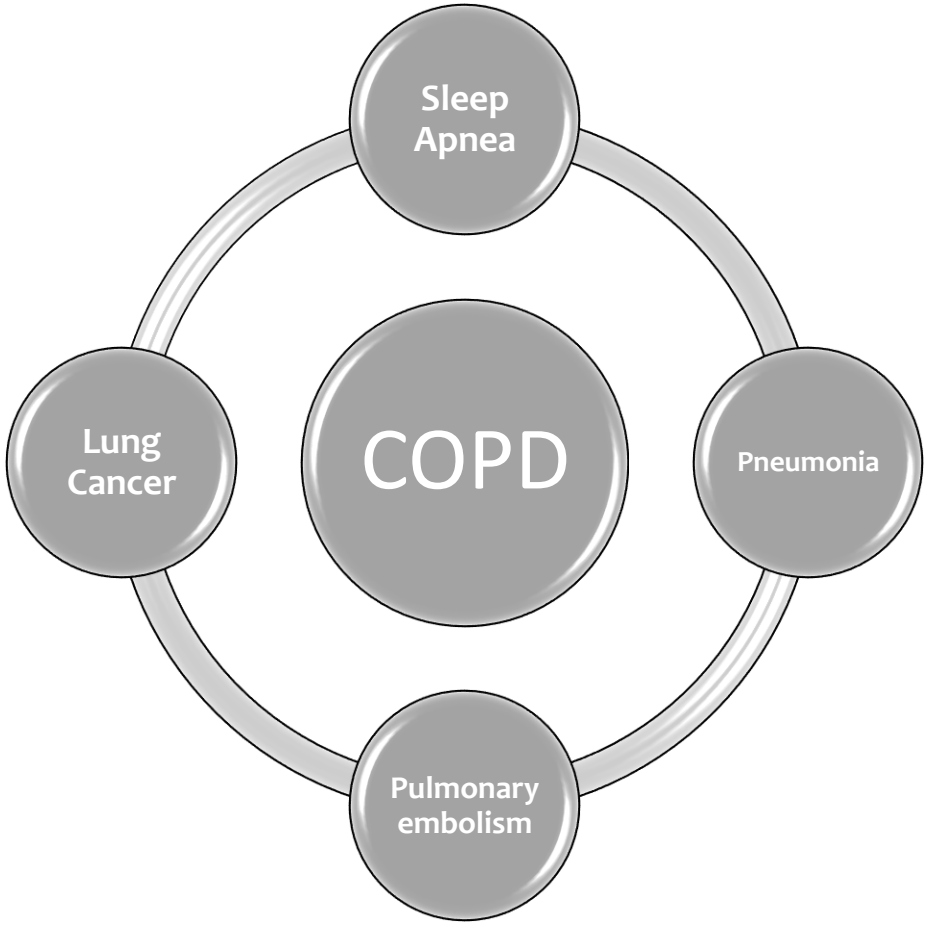


*https://www.cdc.gov/diabetes/data/statistics-report/index.html

^https://www.ncbi.nlm.nih.gov/pmc/articles/diabetes.

COPD [J44.9]

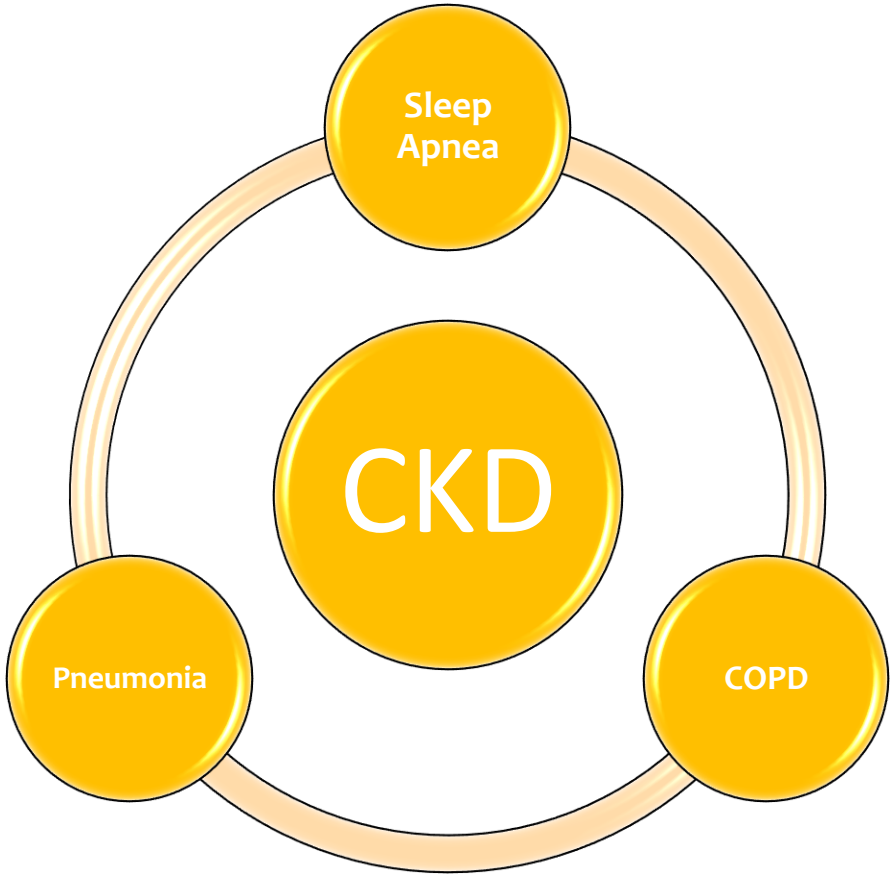
- Almost 15.7 million Americans (6.4%) reported that they have been diagnosed with COPD.*
- COPD has been associated with an increased risk for sleep apnea, pneumonia, pulmonary embolism, and lung cancer.



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

Chronic Kidney Disease [N18.9]

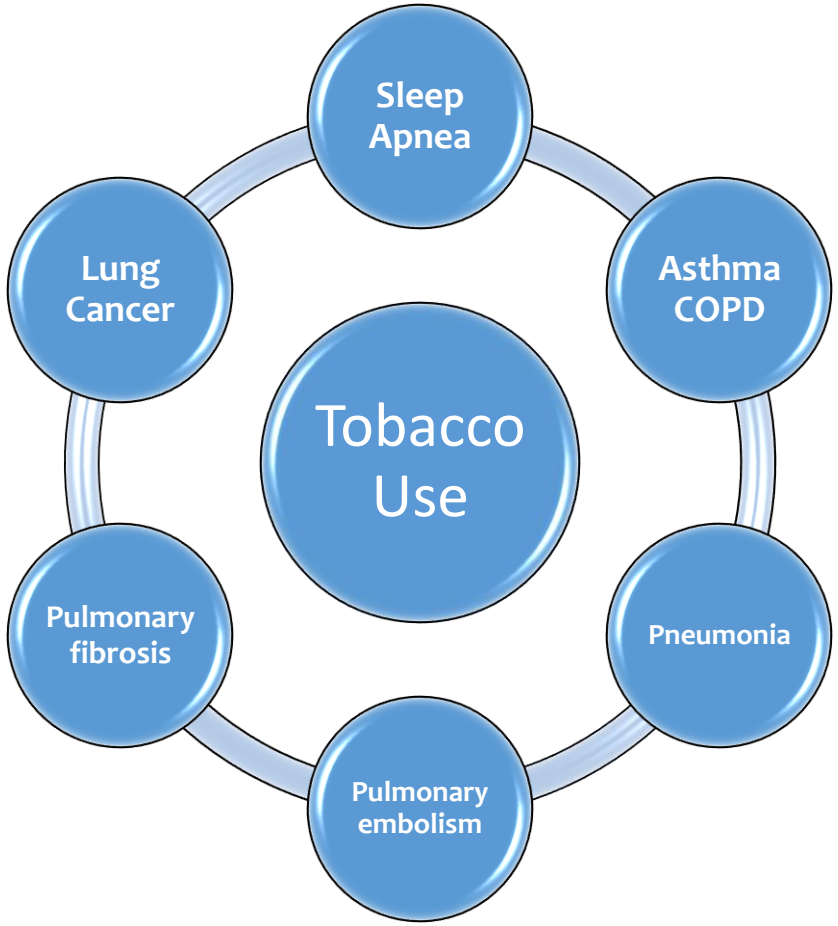
- Almost 37 million US adults (15%) are estimated to have CKD.*
  - CKD 3 => GFR <60
  - CKD 4 => GFR <30
  - CKD 5 => GFR <15
- CKD has been associated with an increased risk for sleep apnea, COPD and incidence and severity of pneumonia.
- The presence of CKD may also have an impact on your medical decision making when it comes to prescribing medications.



*https://www.cdc.gov › kidneydisease › ckd-national-facts

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 sleep apnea, asthma / COPD, pneumonia, pulmonary embolism, pulmonary fibrosis, and lung cancer.

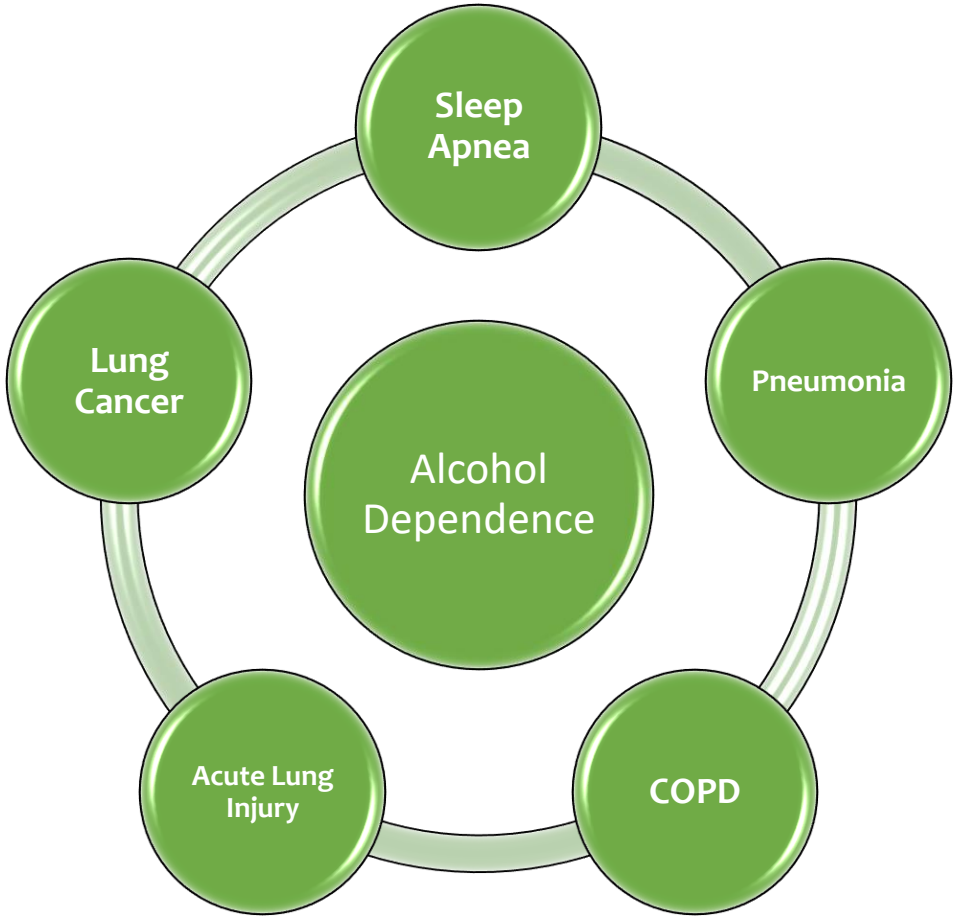


*https://www.cdc.gov

^ 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 use has been associated with an increased risk for sleep apnea, pneumonia, COPD, acute lung injury, and lung cancer.
- 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

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 65-year-old male smoker is seeing you in the office for evaluation of sleep apnea. He has a history of regular daily alcohol consumption. His BMI is 42. After evaluation, you feel that his smoking, morbid obesity and alcohol consumption are all playing a role in his sleep apnea.

Scenario 1	Scenario 2
Sleep apnea (G47.30)	Sleep apnea (G47.30)
	Tobacco Use (J72.0)
	Alcohol dependence (F10.20)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)

Approx Budget = $3,000/year	Approx Budget = $8,500/year

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Example

- A 68-year-old female ex-smoker with type 2 diabetes presents for evaluation of persistent COPD symptoms. Her BMI is 38.2 After evaluation, you feel that her poorly controlled diabetes and morbid obesity are contributing to her COPD exacerbations. Additionally, her diabetes influences your decision on steroids for treatment options.

Scenario 1	Scenario 2
COPD (J44.9)	COPD with Acute Exacerbation (J44.1)
	Type 2 Diabetes with unspecified complications (E11.8)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = $6,300/year	**Approx Budget = $11,600/year**

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Example

- A 70-year-old female smoker, with a history of COPD, is seeing you in the office for a follow-up of a pulmonary embolism. She was initially seen in the ER and admitted to the hospital where she was started on oral anticoagulants. Her BMI is 40. You feel that her smoking status, history of COPD and morbid obesity all played a role in the development of her PE.

Scenario 1	Scenario 2
Pulmonary embolism (I26)	Pulmonary embolism (I26)
COPD (J44.9)	COPD (J44.9)
	Tobacco Use (Z72.0)
	Morbid Obesity (E66.01)

Approx Budget = $6,900/year	Approx Budget = $9,300/year

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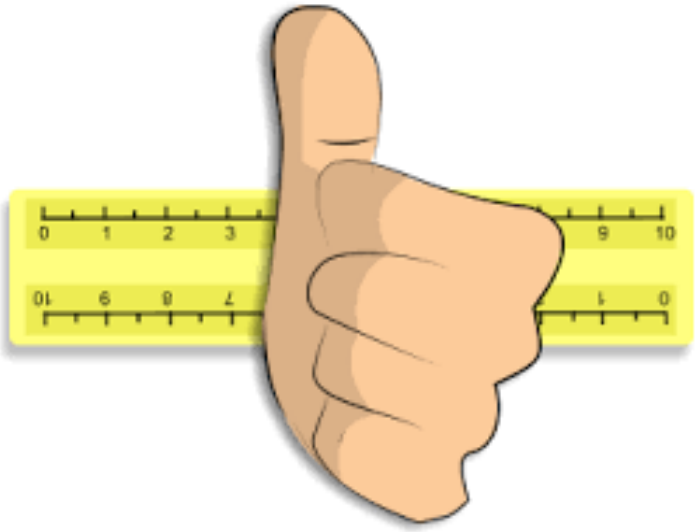
Rules of Thumb

- 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.



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