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Introduction to HCC Coding (Endocrinology)



# 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 for Endocrinology



# Common Endocrine Diagnoses

- Adrenal Insufficiency & Addison's Disease
- Cushing's Syndrome
- **Diabetes**
- Endocrine Cancers
- Graves' disease
- Hashimoto's Disease
- Hyperthyroidism/Hypothyroidism
- Polycystic Ovary Syndrome (PCOS)
- Pregnancy & Thyroid Disease
- Primary Hyperparathyroidism
- Prolactinoma

These diagnoses  
have additional  
risk adjustment  
value.

# Endocrine Cancers

- In the United States, the most common endocrine cancers are of the pancreas and thyroid.\*
- In 2022, the estimate of new cases of pancreatic cancer is 62,210 with 49,830 deaths and a 5-year survival rate of 11.5%.
- The estimate of new cases of thyroid cancer is 43,800 with 2,230 deaths and a 5-year survival rate of 98.4%^
- Cancer of the pituitary, hypothalamus, and adrenal glands are considered rare.

\*<https://www.cancer.gov/about-cancer/understanding/statistics#>

^<https://seer.cancer.gov/statfacts>



# Coding for Endocrine 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., adenocarcinoma of the pancreatic duct [C25.3] and secondary malignant neoplasm to the liver [C78.7]).

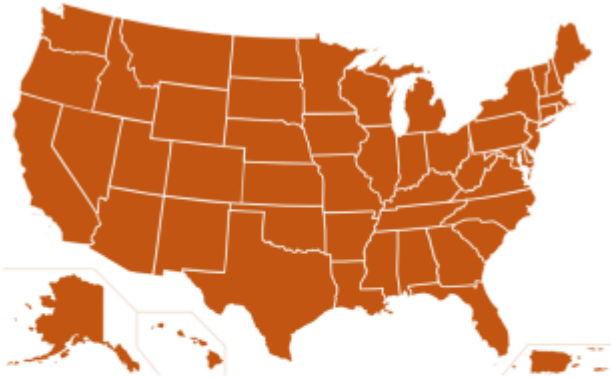


# Diabetes

Since diabetes, and its sequelae, have significant risk adjustment value - we will cover this topic separately from the other common endocrine diagnoses.



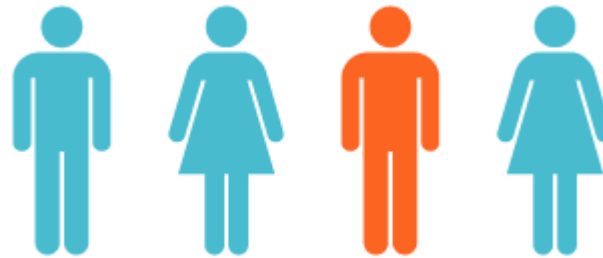
# United States Diabetes Mellitus Statistics\*



37.3 million Americans had diabetes  
in 2019

7<sup>th</sup> leading cause of death in the U.S

\$327 Billion in medical  
costs in the U.S. in 2017



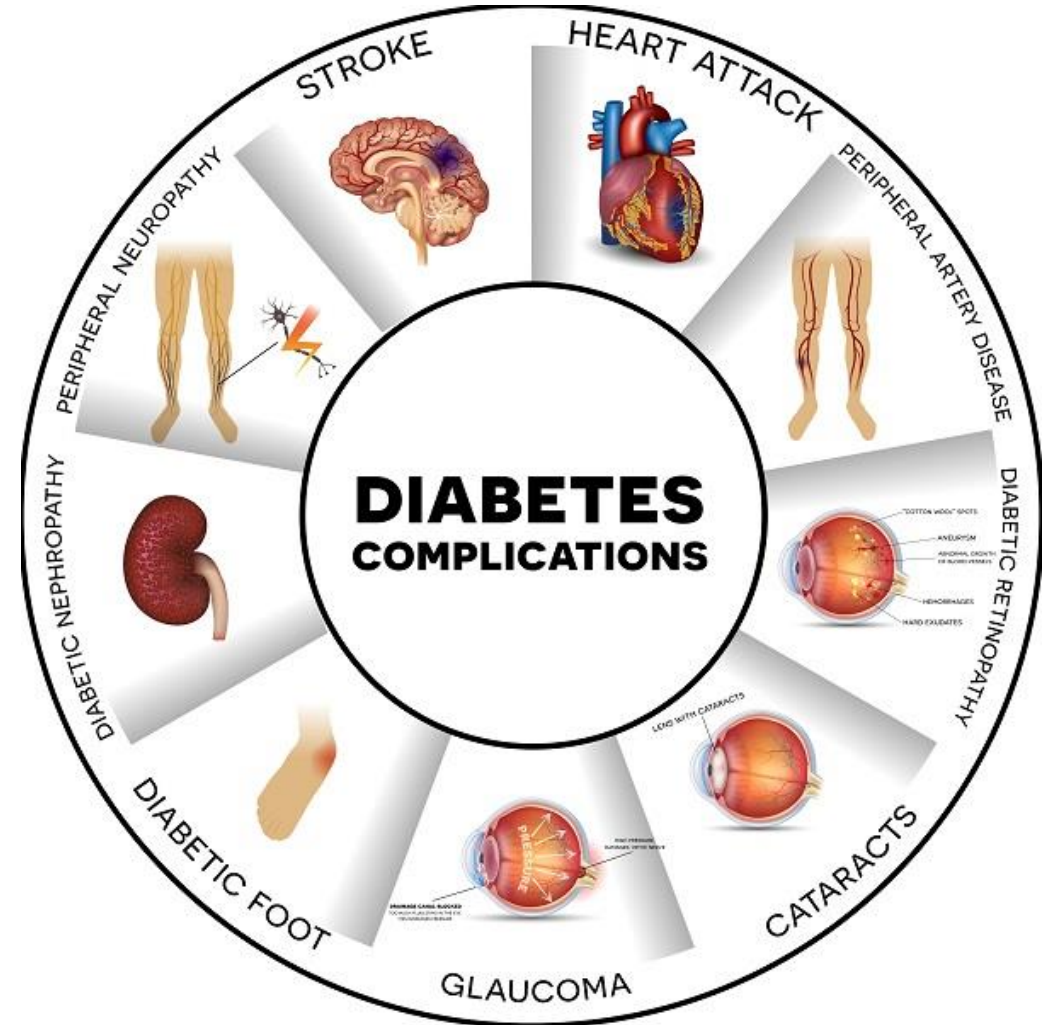
29% of Seniors over  
65 have diabetes

1.4 million new cases annually



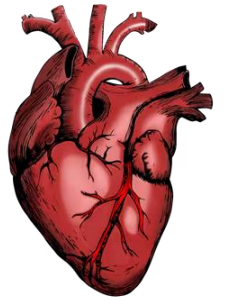
\*Source: American Diabetes Foundation 5/17/22

Patients with chronic diabetes often have complications of their disease that should be considered when documenting and coding for your visit.



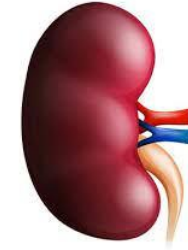
# Diabetes complications may include:

- Diabetes with ophthalmic complications (retinopathy, cataracts, macular edema)
- Diabetes with cardiovascular complications (coronary artery disease, peripheral vascular disease)
- Diabetes with neurological complications (peripheral neuropathy, gastroparesis)

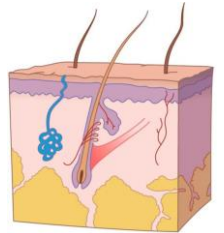
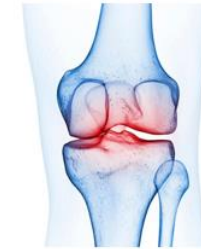


- See appendix slides for further information

- Diabetes with renal complications  
(nephropathy, CKD)



- Diabetes with MSK or dermatologic complications  
(arthropathy, dermatitis, foot ulcer)

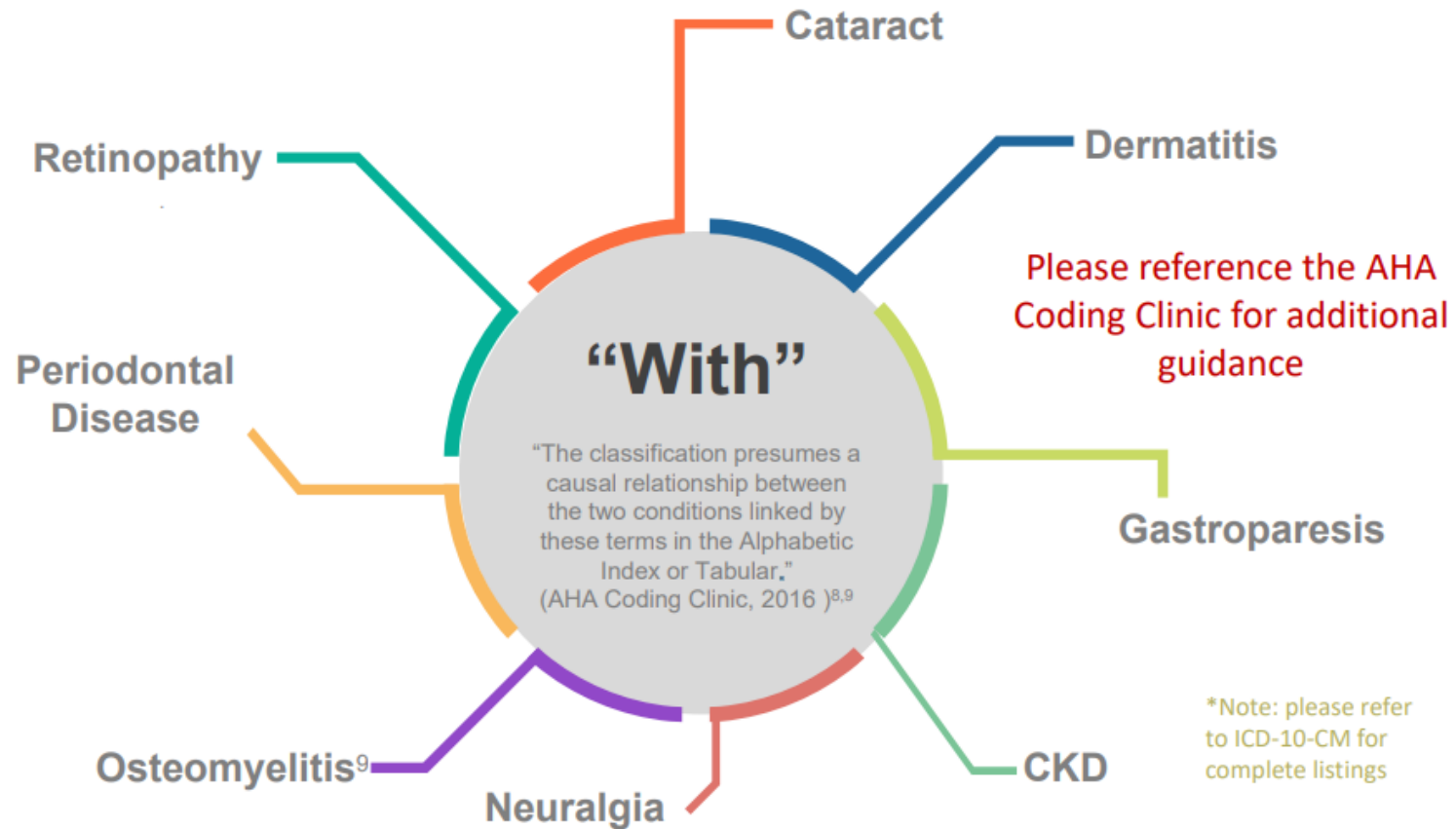


- Diabetes with other specified complications  
(periodontal disease, hyperglycemia, hypoglycemia)



- See appendix slides for further information

## ICD-10-CM Coding Guidance





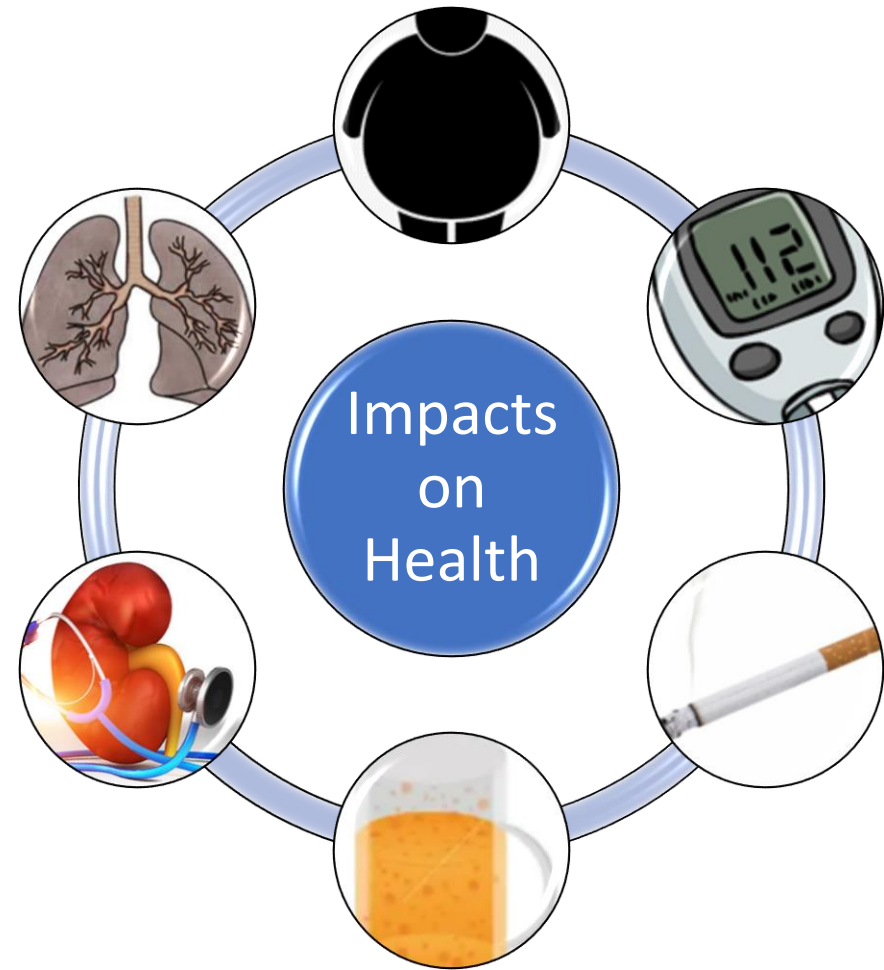
Make sure to code for both the diabetes and the specific complication (i.e., ophthalmic, circulatory, renal, neurologic).

For example:

- Diabetes with nephropathy
- Diabetes with unspecified diabetic retinopathy
- Diabetes with unspecified diabetic neuropathy
- Diabetes with hypoglycemia / hyperglycemia



While it's true that many of the other common endocrine diagnoses may already have risk adjustment value, consider the impact that the following HCC associated comorbidities have on the presenting problem or your medical decision making.

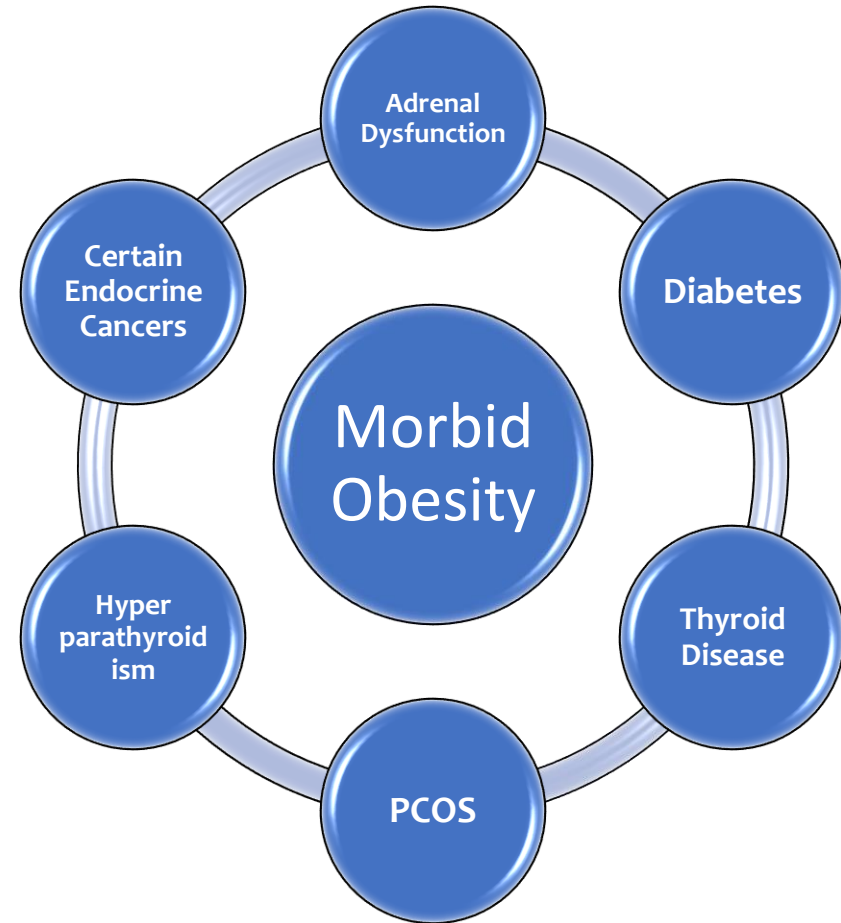


# Morbid Obesity [E66.01]

- 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 adrenal dysfunction, diabetes, thyroid disease, polycystic ovary disease, primary hyperparathyroidism, and certain endocrine cancers.^

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

^Sources: [ncbi.nlm.nih.gov](https://www.ncbi.nlm.nih.gov); [CDC.gov](https://www.cdc.gov)

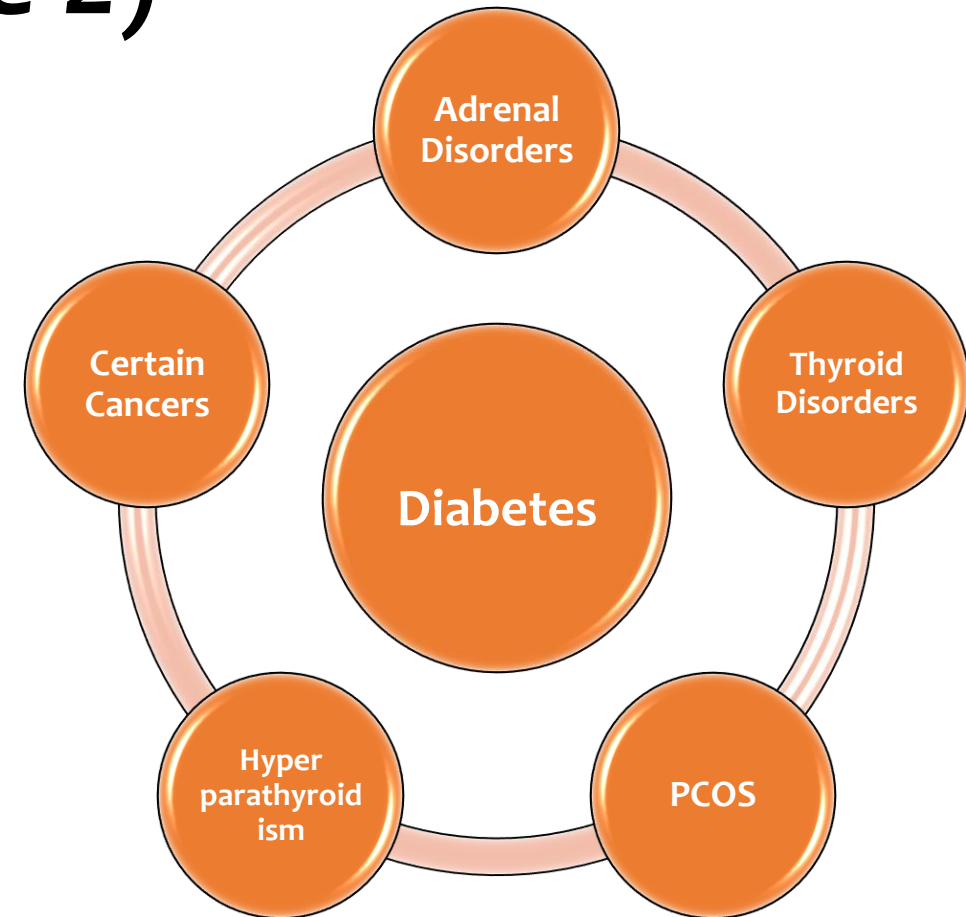


# Diabetes (Type 1 & Type 2)

- 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 adrenal disorders, thyroid disorders, PCOS, primary hyperparathyroidism, and certain cancers.^
- The presence of diabetes may also have an impact on your medical decision making when it comes to prescribing medications.

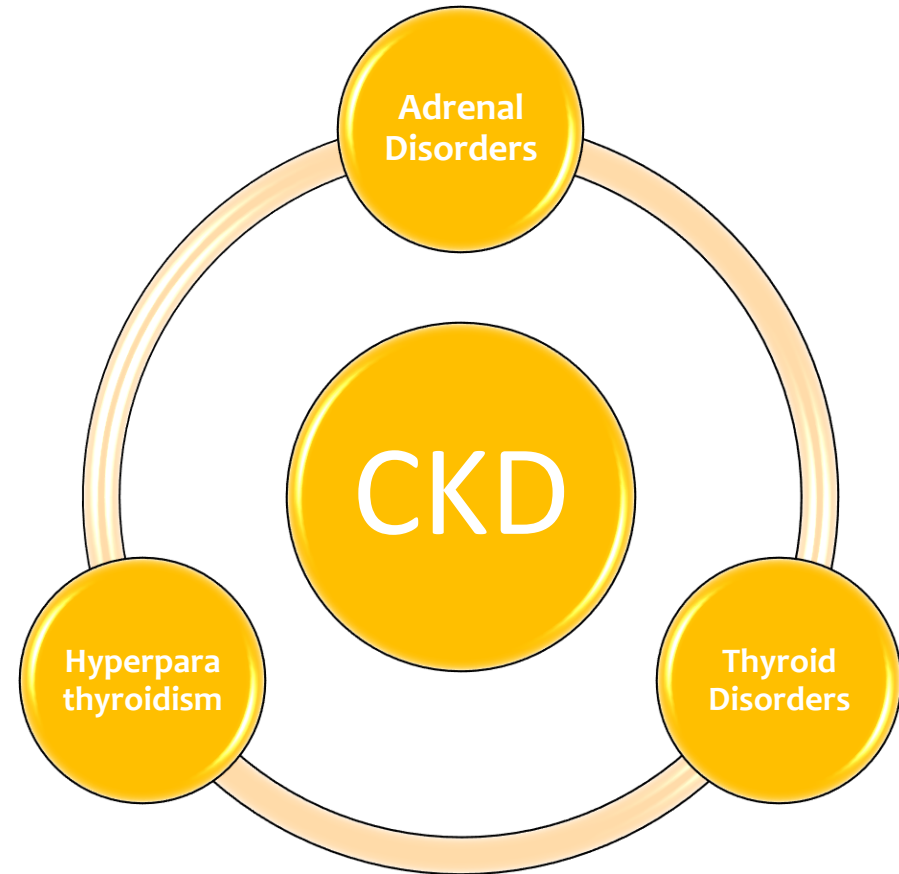
\*<https://www.cdc.gov/diabetes/data/statistics-report/index.html>

^Sources: [pubmed.ncbi.nlm.nih.gov](https://pubmed.ncbi.nlm.nih.gov)



# 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 adrenal disorders, thyroid disorders, and hyperparathyroidism.^
- 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>

^Source: [ncbi.nlm.nih.gov](https://ncbi.nlm.nih.gov)

# Secondary Hyperparathyroidism

- Additionally, secondary hyperparathyroidism is common in CKD and is present in the majority of patients with eGFR <60 mL/min.\*
- The recommendation is to monitor all CKD patients for the development of secondary hyperparathyroidism by measuring circulating parathyroid hormone (PTH) concentration.\*
- Secondary hyperparathyroidism in CKD patients has additional RAF value and should be coded as [N25.81].



\* <https://www.uptodate.com/contents/management-of-secondary-hyperparathyroidism-in-adult-nondialysis-patients-with-chronic-kidney-disease>

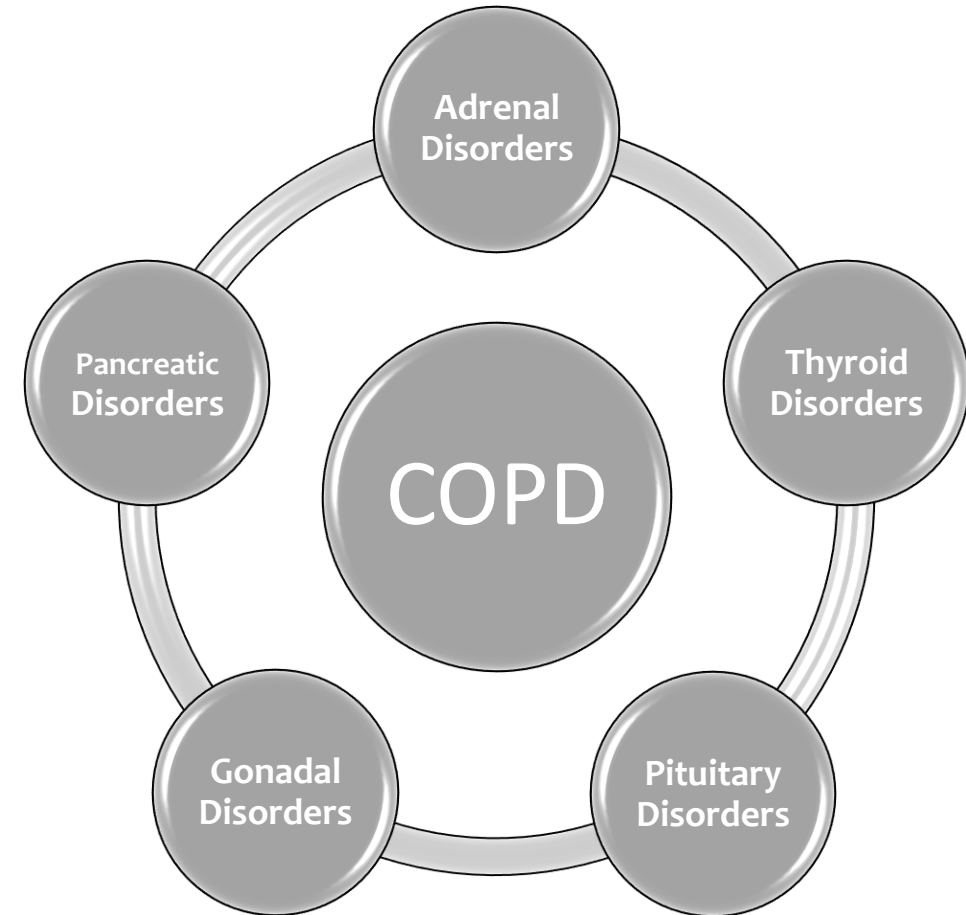


# COPD [J44.9]

- Almost 15.7 million Americans (6.4%) reported that they have been diagnosed with COPD.\*
- The systemic manifestations of COPD include a number of endocrine disorders, such as those involving the pituitary, the thyroid, the gonads, the adrenals and the pancreas.^

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

^Source: <https://pubmed.ncbi.nlm.nih.gov/19797671/>





# 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.\*
- Smoking affects pituitary, thyroid, adrenal, testicular and ovarian function, calcium metabolism and the action of insulin. Smoking also contributes to the development of insulin resistance and hence type 2 diabetes mellitus. ^

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

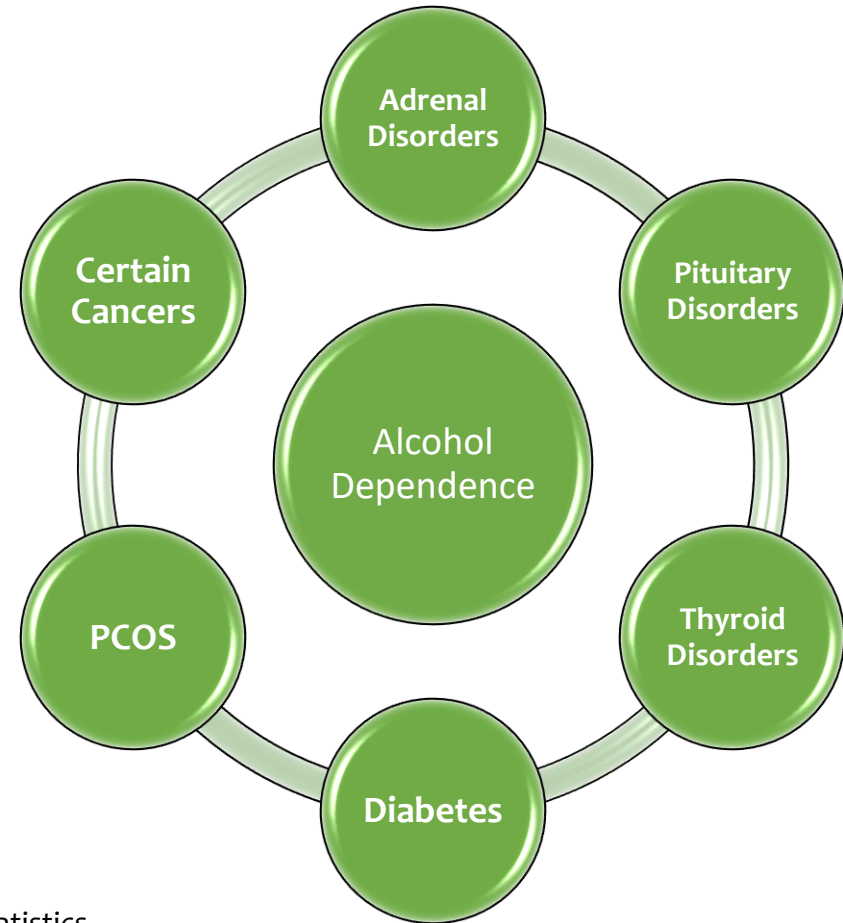
^Source: <https://pubmed.ncbi.nlm.nih.gov/15817903/>

+ This diagnosis has no additional RAF value; however, you can code for smoking cessation counseling when appropriate.



# 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 adrenal disorders, pituitary disorders, thyroid disorders, diabetes, PCOS, and certain cancers.^
- The presence of alcohol dependence may also have an impact on your medical decision making when it comes to prescribing medications.

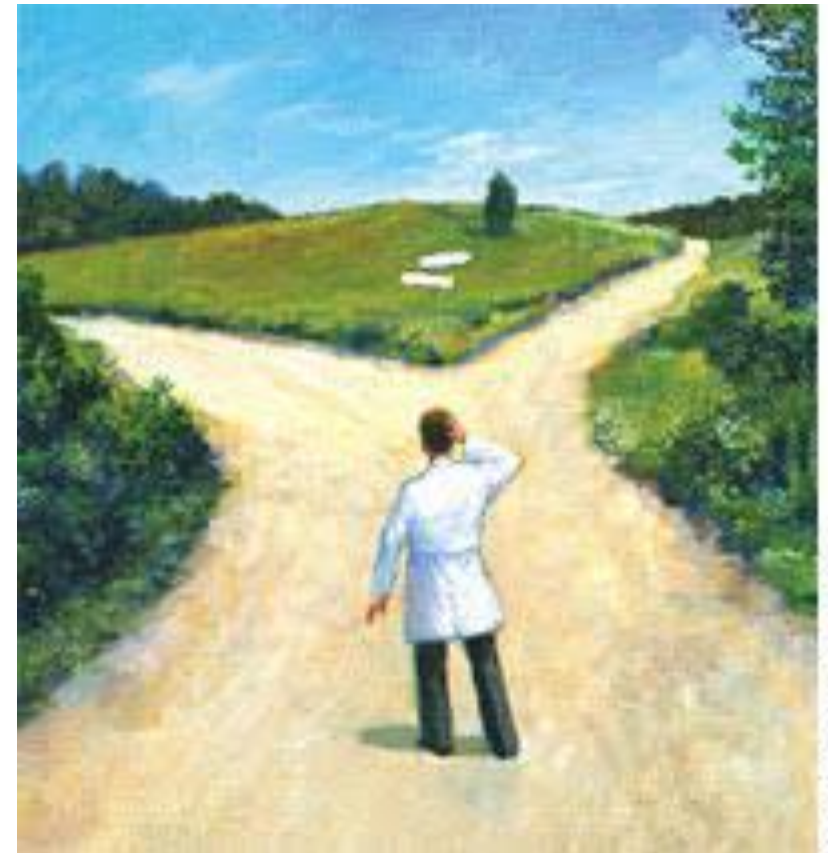


\*<https://www.niaaa.nih.gov/publications/brochures-and-fact-sheets/alcohol-facts-and-statistics>

^Sources: [ncbi.nlm.nih.gov](https://ncbi.nlm.nih.gov); [drinkaware.com](https://drinkaware.com); [biorxiv.org](https://biorxiv.org); [bmccancer.biomedcentral.com](https://bmccancer.biomedcentral.com)

# 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 66-year-old male with DM2 and a BMI of 40.1 is seeing you in the office for follow-up. His recent A1c is 10.2 and the urine dip shows evidence of proteinuria. You review the medical record and discover that he had a similar finding 6 months ago at his physical.

Scenario 1	Scenario 2
Type 2 Diabetes w/o complications (E11.9)	Type 2 Diabetes with nephropathy (E11.21)
Proteinuria (R80.9)	Proteinuria (R80.9)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = \$4,000/year	Approx Budget = \$8,300/year

# Example

- A 70-year-old female with CKD and a BMI of 38.2 presents for evaluation of an elevated PTH. Labs completed last week also reveal hyperphosphatemia, mild hypocalcemia, and vitamin D deficiency. Her GFR was 52. After evaluation, you feel that the CKD and morbid obesity are playing a role in the hyperparathyroidism.

Scenario 1	Scenario 2
Secondary Hyperparathyroidism (N25.81)	Secondary Hyperparathyroidism (N25.81)
	CKD Stage 3 (N18.3)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = \$5,600/year	Approx Budget = \$8,600/year

# Example

- A 68-year-old female smoker with COPD is seeing you in the office for evaluation of worsening hypothyroidism noted on recent lab studies. The patient also has a history of regular daily alcohol consumption. After further evaluation, you feel that the patient's COPD and regular alcohol consumption are playing a role in their worsening thyroid function.

Scenario 1	Scenario 2
Hypothyroidism (E03.9)	Hypothyroidism (E03.9)
	COPD (J44.9)
	Alcohol dependence (F10.20)
Approx Budget = \$3,100/year	Approx Budget = \$9,300/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.

