BUILDING HEALTHIER COMMUNITIES TOGETHER.

YOUR PARTNER IN CARE

Introduction to HCC Coding (Hospital Medicine)



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



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?







- In recent years, there has been a shift away from a "fee-forservice" 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.



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



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.



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Risk Adjustment and HCC Coding for Hospital Medicine





Common Hospital Medicine Diagnoses

- Cardiac Conditions
- Diabetic Conditions
- GI Conditions
- Hematologic Conditions
- Infectious Diseases
- Neurologic Conditions
- Nutritional Issues
- Oncologic Conditions
- Pressure Ulcers
- Psychiatric Conditions
- Renal Conditions
- Respiratory Conditions
- Rheumatologic Conditions
- Vascular Conditions

All of these diagnoses may potentially have risk adjustment value.

Let's focus on some of the key diagnoses in each of these areas.





Cardiac Conditions





Types of heart disease





HCC Coding for Heart Disease

- There is no risk adjustment for asymptomatic Coronary Artery Disease [125.10].
- However, there is risk adjustment for Aortic Atherosclerosis [170.0] which is commonly noted on imaging studies.





HCC Coding for Heart Disease

Consider using the following diagnoses:

- Coronary Artery Disease with Unspecified Angina [125.119]
- Congestive Heart Failure [150.9]
- Cardiomyopathy [142.9]
- PSVT [I47.1]
- Atrial Fibrillation [148.91]
- Sick Sinus Syndrome [149.5]



Diabetic Conditions





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)











• 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





Anthem – "Welcome to Medicare Risk Adjustment, Documentation and Coding Guidance" 09/25/19

GI-related Conditions





HCC Coding for GI Conditions

Consider using the following diagnoses:

- Colostomy, gastrostomy, ileostomy status[Z93.3/Z93.1/Z93.2]
- Chronic pancreatitis [K86.1]
- Chronic hepatitis [K73.9]
- Alcoholic liver disease [K70.9]
- Cirrhosis of liver [k74.60]
- Hepatic encephalopathy, HRS, portal htn [K72.90/K76.7/K76.6]
- Inflammatory bowel disease [CD K50.90/ UC K51.90]
- Peptic ulcer disease with perforation [K27.1]



Hematologic Conditions





HCC Coding for Hematologic Conditions

Consider using the following diagnoses:

- Pancytopenia [D61.818]
- Thrombocytopenia [D69.6]
- Neutropenia [D70.9]
- Myelodysplastic syndrome [D46.9]



A note on Hypercoagulable States

Some patients with **primary** (generally inherited) and **secondary** (generally acquired) thrombophilias may also be treated with anticoagulants.



Primary hypercoagulable states include:

- antithrombin III deficiency
- protein C and S deficiencies
- abnormalities of the fibrinolytic system
- dysfibrinogenemias

Secondary hypercoagulable states include:

- Malignancy
- Pregnancy
- Oral contraceptives
- Atrial Fibrillation
- Prolonged immobilization
- Myeloproliferative disorder
- Trauma
- Vascular anomaly
- Vascular device (stents, catheters, prosthetic valves)



https://pubmed.ncbi.nlm.nih.gov/3158262/

The ICD-10-CM Code for Other thrombophilia **D68.69** has HCC value and may be used to specify conditions or terms like acquired thrombophilia, thrombophilia associated with pregnancy, thrombophilia due to acquired protein c deficiency, thrombophilia due to antineoplastic agent therapy, thrombophilia due to drug therapy, thrombophilia due to hormone therapy, etc.





Make sure to code for both the diagnosis AND the Other Thrombophilia code.

For example:

- Atrial Fibrillation [148.91]
- Other thrombophilia [D68.69]





Additionally, in your documentation, you should explain the rationale for the secondary hypercoagulable state:

"Secondary hypercoag- CHADS2vasc > 1. Patient requiring coumadin for secondary hypercoagulable state. Continue to monitor coumadin levels to ensure patient in therapeutic range. Stable."





Infectious Diseases





HCC Coding for Infectious Disease

Consider using the following diagnoses:

- HIV infection, asymptomatic [Z21]
- Chronic Hepatitis B [B18.1]
- Chronic Hepatitis C [B18.2]
- Osteomyelitis [M86.9]



Neurologic Conditions





HCC Coding for Neurologic Conditions

Consider using the following diagnoses:

- CVA [I63.9] *please see next slide
- Multiple sclerosis [G35]
- Parkinson's Disease [G20]
- Paraplegia [G82.20]
- Seizure disorder [G40.909]



- When using the diagnosis of CVA [163.9] you are suggesting they are actively having a stroke.
- Consider using the codes which reflect late effects of stroke like hemiplegia [169.359] or aphasia [169.320].
- There is also a code for "other sequelae following unspecified cerebrovascular disease" which covers visual or sensory disturbances.
- If there are no late effects, please switch to history of stroke [Z86.73].





Nutritional Issues





HCC Coding for Nutritional Issues

Consider using the following diagnoses:

- Malnutrition (mild, moderate, severe) *
 - Mild [E44.1] weight loss less than that listed for moderate malnutrition
 - ✤ Moderate [E44.0]
 - Some muscle wasting, loss of subcutaneous fat
 - Unintentional weight loss of 5-10% in <6 months, or 10-20% in >6 months.
 - Low BMI (< 20 if < 70 years, or < 22 if > 70 years)
 - Severe [E43]
 - Obvious significant muscle wasting, loss of subcutaneous fat
 - Unintentional weight loss of >10% in <6 months, or >20% or > 6 months.
 - Low BMI (< 18.5 if < 70 years, or < 20 if > 70 years)
- Morbid obesity Includes: BMI >40 or BMI>35 with comorbidity (DM, OSA, HTN, HLD, OA) [E66.01]

*https://acdis.org/articles/qa-documentation-and-icd-10-cm-coding-severe-malnutrition#:~:text=Coding%



Oncologic Conditions





HCC Coding for a Cancer Diagnosis

Most (if not all) cancer diagnoses have risk adjustment value. 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 breast cancer [Z85.3] and secondary malignant neoplasm to the lung [C78.00]).



Pressure Ulcers





HCC Coding for Pressure Ulcers

Consider using the following diagnoses:

- Pressure ulcer stage 2,3,4, or unstageable
 - grade II some skin loss or damage involving the top-most skin layers [L89.92]
 - grade III necrosis (death) or damage to the skin patch, limited to the skin layers [L89.93]
 - grade IV necrosis (death) or damage to the skin patch and underlying structures, such as tendon, joint or bone [L89.94]
 - Unstageable pressure ulcer of unspecified site [L89.95]
- Type 1 diabetes with foot ulcer [E10.621]
- Type 2 diabetes with foot ulcer [E11.621]



Psychiatric Conditions





HCC Coding for Psychiatric Conditions

Consider using the following diagnoses:

- Major depression, recurrent [F33.9] *please see next slide
- Bipolar disorder [F31.9]
- Schizophrenia [F20.9]
- Alcohol abuse with intoxication [F10.129]
- Alcohol dependence (including in remission) [F10.21]
- Substance abuse with intoxication [F**.**]
- Substance dependence (including in remission) [F**.**]



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. \checkmark

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.

HCC Coding for Anxiety

Anxiety [F41.9], Acute Stress Reaction [F43.0], and PTSD [F43.1] have no risk adjustment value. However, alcohol or substance abuse "induced" anxiety does have HCC value:

- Cannabis use with anxiety disorder [F12.980]
- Cocaine abuse with anxiety disorder [F14.180]
- Sedative, hypnotic, or anxiolytic abuse with anxiety disorder [F13.180]
- Alcohol abuse with anxiety disorder [F10.180]



Renal Conditions





HCC Coding for Renal Conditions

Consider using the following diagnoses:

- CKD stage 3,4,5 [N18.3/4/5] *please see next slide
- ESRD [N18.6]
- Dependence on renal dialysis [Z99.2]
- Patient non-compliance with renal dialysis [Z91.15]



What are the stages of CKD?



* There is no additional HCC value for CKD stage 1 or 2



Respiratory Conditions





HCC Coding for Respiratory Conditions

Consider using the following diagnoses:

- COPD, chronic [J44.9]
- COPD w/ acute exacerbation [J44.1]
- Acute respiratory failure w/ hypoxia [J96.01]
- Chronic respiratory failure w/ hypoxia [J96.11]
- Tracheostomy status [Z93.0]
- Obesity hypoventilation syndrome [E66.2]



Rheumatologic Conditions





HCC Coding for Rheumatologic Conditions

Consider using the following diagnoses:

- Rheumatoid arthritis [M05.9]
- Reactive arthropathy [Mo2.9]
- Polymyalgia rheumatica [M35.3]
- Giant cell arteritis [M31.6]
- Systemic lupus erythematosus [M32.9]



Vascular Conditions





HCC Coding for Vascular Conditions

Consider using the following diagnoses:

- Abdominal aortic aneurysm, w/o rupture [171.4]
- Thoracic aortic aneurysm, w/o rupture [I71.2]
- Peripheral vascular disease [173.9]
- DVT [182.***]



While it's true that many of the common diagnoses that our hospitalists treat 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.)
- Morbid obesity has been associated with an increased risk for type 2 diabetes, hypertension, heart disease, stroke, sleep apnea, metabolic syndrome, fatty liver disease, osteoarthritis, gallbladder disease, some cancers, and kidney disease.[^]



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

^Sources: https://www.niddk.nih.gov/health-information/weight-management/adult-overweight-obesity/health-risks

Diabetes (Type 1 & Type 2)

- In the U.S., 37.3 million people have diabetes (11.3% of the population).*
- Diabetes has been associated with an increased risk for cardiovascular disease, neuropathy, kidney disease, retinopathy, foot damage, skin & mouth conditions, hearing impairment, Alzheimer's Disease, and depression.[^]
- 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: https://www.mayoclinic.org/diseases-conditions/diabetes/symptoms-causes/syc-20371444

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 heart disease, anemia, gout, elevated phosphorous and potassium, metabolic acidosis, secondary hyperparathyroidism, and pruritis.[^]
- 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

Heart Disease econdary High Phosph orous Potassium

^Source: https://www.kidneyfund.org/living-kidney-disease/health-problems-caused-kidney-disease

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 heart disease, pulmonary hypertension, recurrent pneumonia, osteoporosis, GERD, and lung cancer.[^]

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

^https://medlineplus.gov/ency/patientinstructions/000701.htm



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 heart disease, stroke, lung diseases (including COPD), diabetes, and certain cancers.[^]



^ Sources: https://www.cdc.gov/tobacco/basic_information/health_effects.



+ This diagnosis has no additional RAF value however you can bill for smoking cessation counseling.

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 high blood pressure, heart disease, stroke, liver disease, digestive problems, and certain cancers (breast, ENT, esophagus, liver, colorectal).[^]
- The presence of alcohol dependence may also have an impact on your medical decision making when it comes to prescribing medications.



^ Sources: https://www.cdc.gov/alcohol/fact-sheets/alcohol-use.



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 poorly controlled diabetic male was admitted for evaluation of chest pain. His ECG and troponin levels were normal. The patient has CAD and had an MI two years ago. His BMI is 38. After evaluation, you feel that his diabetes and morbid obesity are playing a role in his coronary artery disease.

Scenario 1	Scenario 2
Coronary Artery Disease (I25.10)	Coronary Artery Disease with Unspecified Angina (I25.119)
Old Myocardial Infarction (I25.2)	Old Myocardial Infarction (I25.2)
Type 2 Diabetes w/o complications (E11.9)	Type 2 Diabetes with unspecified complications (E11.8)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)

Approx Budget = \$4,000/year

Approx Budget **\$9,600/year**



Example

• A 72-year-old female with stage 4 CKD was admitted for evaluation of new onset atrial fibrillation. She was started on a calcium channel blocker, and you feel that she also needs to be anticoagulated. Due to her history of frequent falls (and the fact that she lives alone), you decide against using Coumadin and instead start her on a DOAC, however you need to adjust the dose due to her chronic kidney disease.

Scenario 1	Scenario 2
Atrial Fibrillation (I48.91)	Atrial Fibrillation (I48.91)
	CKD, stage 4 (N18.4)

Approx Budget = \$6,300/year Approx Budget = \$9,000/year



Example

• A 68-year-old male was admitted for evaluation of acute pancreatitis. His abdominal ultrasound also showed evidence of hepatic steatosis. His lipase and LFTs were elevated. He has a history of regular daily alcohol consumption. His BMI is 42. After evaluation, you feel that his alcohol consumption and morbid obesity are all playing a role in his pancreatitis and liver disease.

Scenario 1	Scenario 2
Acute pancreatitis (K85.9)	Acute pancreatitis (K85.9)
Fatty Liver (K76.0)	Alcohol Liver Disease (K70.9)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)

Approx Budget = \$3,000/year

Approx Budget 📢 \$8,800/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.



