

AvMed Network NEWS BULLETIN

Provider News You Need to Know



February 2016

CODING, RISK ADJUSTMENT AND REIMBURSEMENT

Risk Adjustment is an important topic for both AvMed and our Providers. Appropriate revenue payments to AvMed allow us to reimburse our Providers for their valuable services. Risk Adjustment provides a mechanism to pay more to those health plans who have on average higher risk members and less to health plans with lower risk members. AvMed needs coding and documentation accuracy from our Providers to insure that our Membership's risk is accurately reflected. Medicare Members have been risk adjusted for some time and recently Risk Adjustment has been applied to some Commercial Members as well. There is variation between the Commercial and Medicare risk adjustment models, however, the key for our Providers is to document the health conditions of our Members thoroughly in the medical record and submit claims that are complete and consistent with that documentation.

Medicare Advantage plans (Medicare Part C) and Commercial risk adjusted plans are both reimbursed based on Hierarchical Condition Categories (HCCs). The HCC model allows the identification of individuals with serious or chronic illness and assigns a risk factor score to each member based on a combination of the individual's health conditions and demographic details. Physician's use ICD 10 codes to identify and submit diagnoses on claims and clinical documentation. CMS then uses the data to prospectively estimate predicted costs for enrolled Medicare Advantage members for the next year of coverage; while Commercial members are risk adjusted using data from the same calendar year via the HHS-HCC model. HCCs must be recertified annually for CMS to reimburse the plan and ideally every six months.

Accurate Risk Adjustment is critical to the success of risk adjusted products and providers play a vital role in this process. Beyond receiving appropriate revenue for our Members, which is critical, proper risk adjustment and stratification of your AvMed Members ensure those with higher complexity (i.e., one or more comorbid or co-morbid conditions) are identified and placed on the appropriate Care Management, Disease Management, and Quality Improvement tracks, which will lead to better clinical outcomes for your patients and our Members. 🌱

FALL PREVENTION

Each year, millions of older people—those 65 and older—fall. In fact, one out of three older people falls each year, but less than half tell their doctor. Falling once doubles the chances of falling again.

- One out of five falls causes a serious injury such as broken bones or a head injury.
- Each year, 2.5 million older people are treated in emergency departments for fall injuries.
- Over 700,000 patients a year are hospitalized because of a fall injury, most often because of a head injury or hip fracture.
- Adjusted for inflation, the direct medical costs for fall injuries are \$34 billion annually. Hospital costs account for two-thirds of the total.

Please talk to your patients about their fall risk and provide a fall prevention plan. 🌱

