



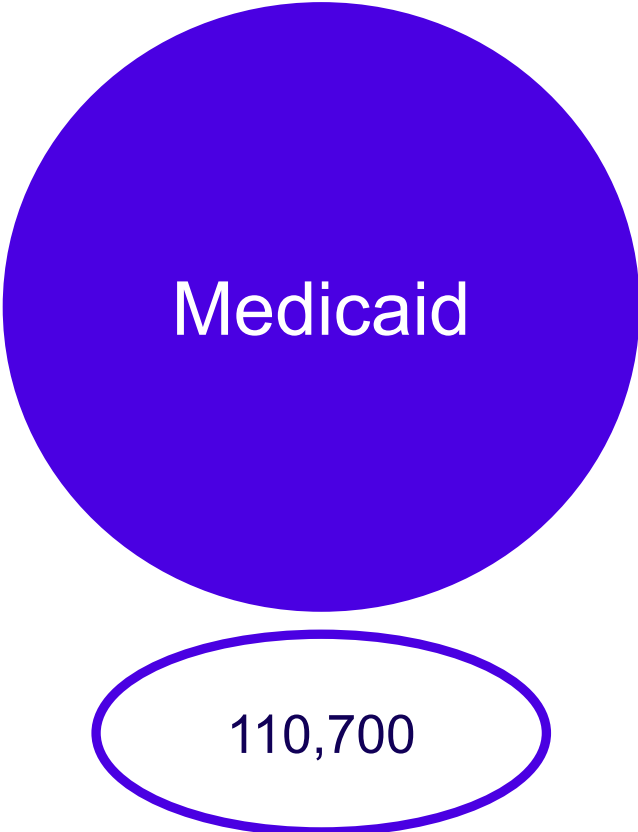
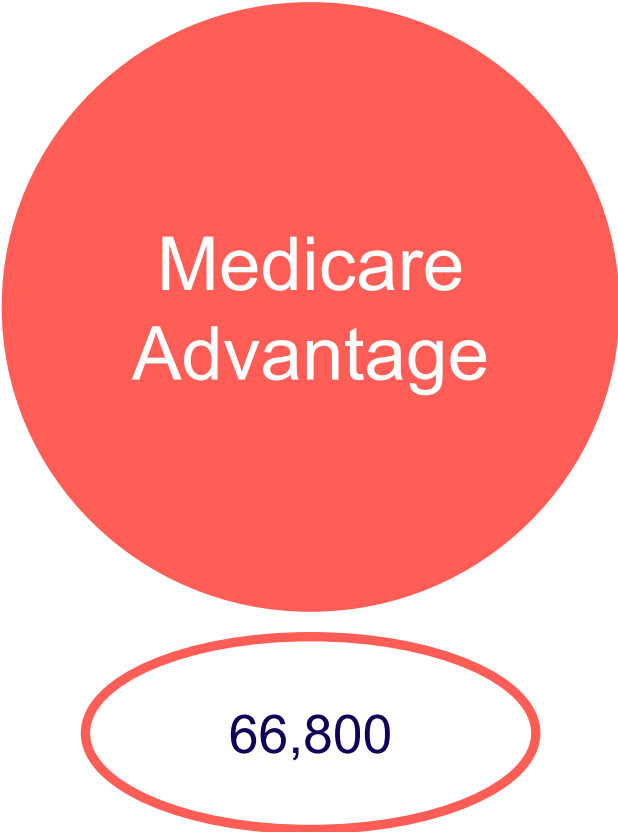
Select
Health

RISK ADJUSTMENT 101

Select Health

- Non-Profit insurance subsidiary of Intermountain Health
- Over 1 Million members enrolled in SelectHealth Plans (Utah, Idaho, Nevada, Colorado)
- Over 40 years in business
- SelectHealth Product Plans
 - Medicare Advantage
 - Medicaid
 - Commercial (Individual, Small Employer, Large Employer)
 - Federal Employee
 - Dental

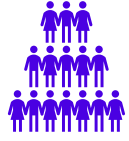
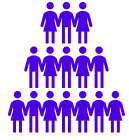
Risk Adjustment Plans and 2025 Membership





What is Risk Adjustment?

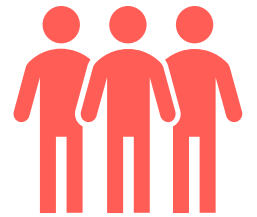
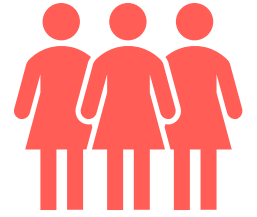
- Risk Adjustment is a method by which HHS and CMS offset the cost of providing health care for individuals with chronic health conditions.
- Health Plans are reimbursed by the government for the costs of providing care according to the conditions their members have.



Premiums



Cost of Care





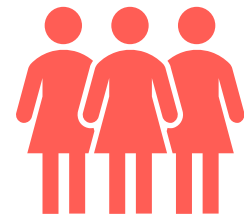
Government Reimbursement



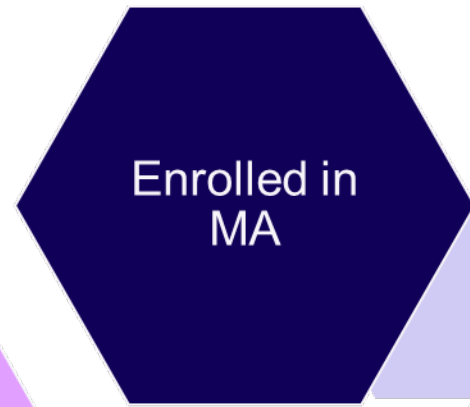
Premiums



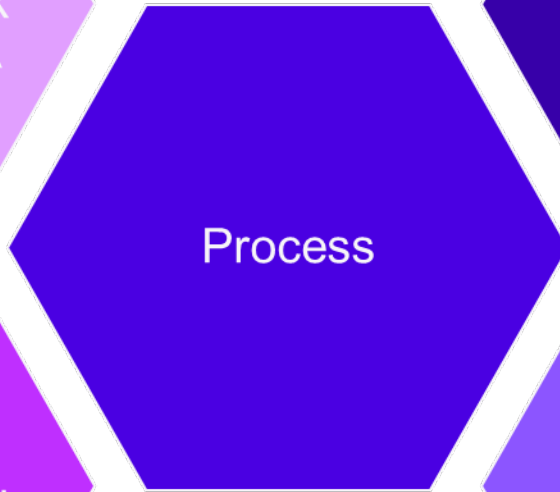
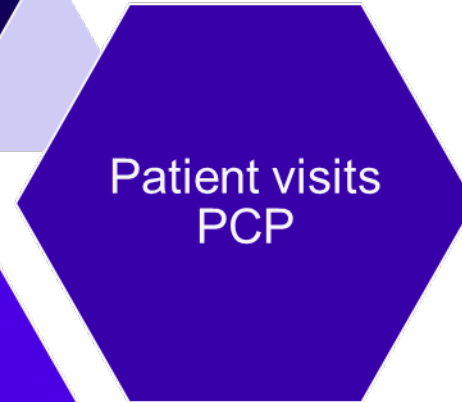
Cost of Care



Retrospective
Documentation & Coding Reviews



Provider & Member Engagement



Hierarchical Condition Category



- ❖ Medical conditions categorized by body system
- ❖ Most are chronic conditions, but some are acute
- ❖ Out of 70,000 ICD-10 diagnosis codes, about 11,000 map to an HCC
- ❖ MA has 115 HCCs, ACA has 140 HCCs

HCC Hierarchies

- HCCs are further divided into Hierarchies.
- Within each Hierarchy, there are multiple HCCs which increase in severity.

Categories in the HCC Model			
Infection	Blood	Openings	Complications
Neoplasm	Substance Abuse	Vascular	Transplant
Diabetes	Psychiatric	Lung	Cerebrovascular
Spinal	Metabolic	Eye	Amputation
Gastrointestinal	Neurological	Kidney	Disease Interactions
Liver	Arrest	Skin	Disability Status
Musculoskeletal	Heart	Injury	Obstetrics

HCCs in a Hierarchy

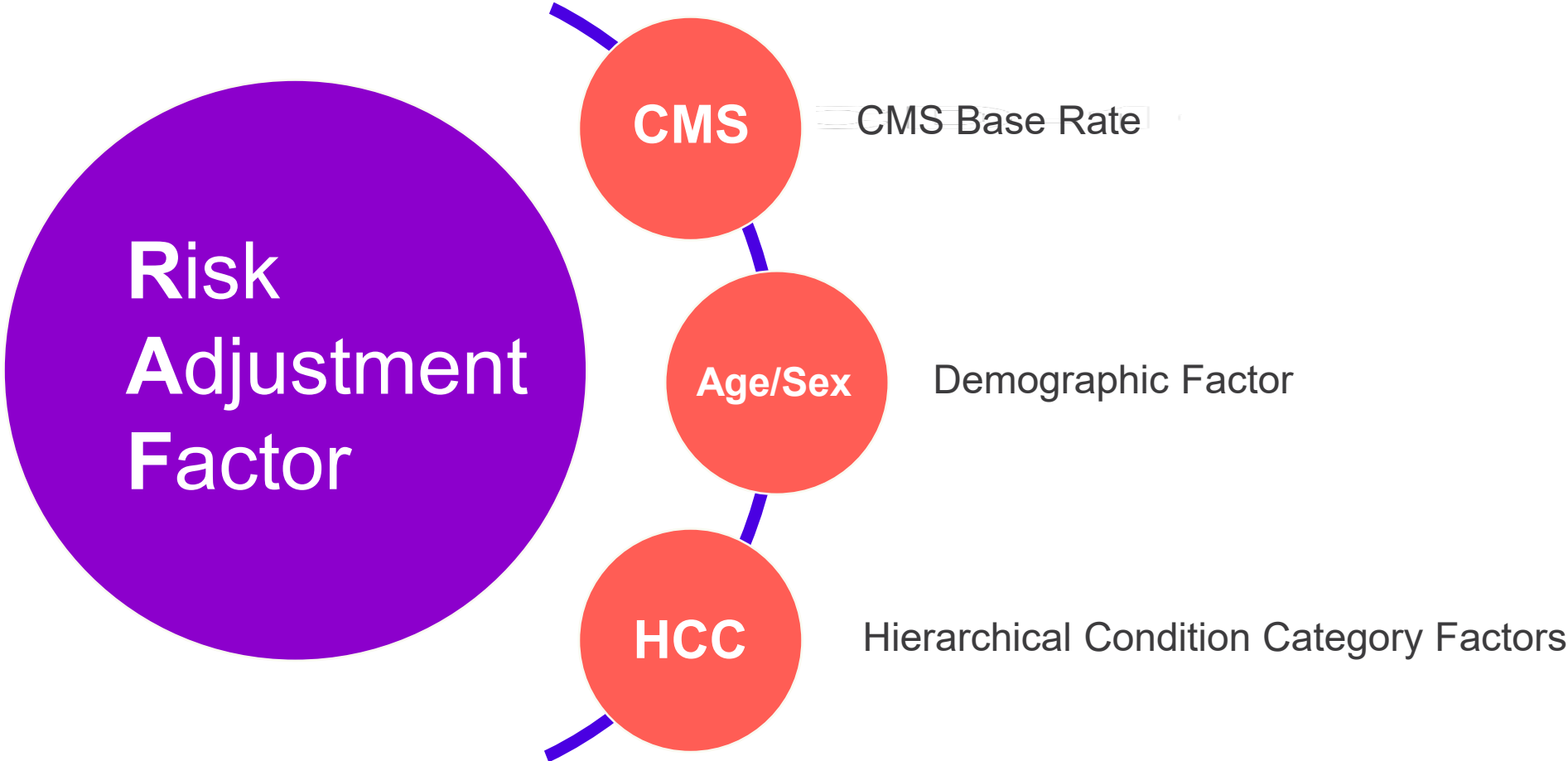
Heart

- HCC 228: Myocardial Infarction (Heart Attack)
- HCC 229: Ischemic Heart Disease

Kidney

- HCC 326: CKD 5 & ESRD
- HCC 327: CKD 3 - 4

Main Elements of an MA RAF Score



How MA RAF is Calculated

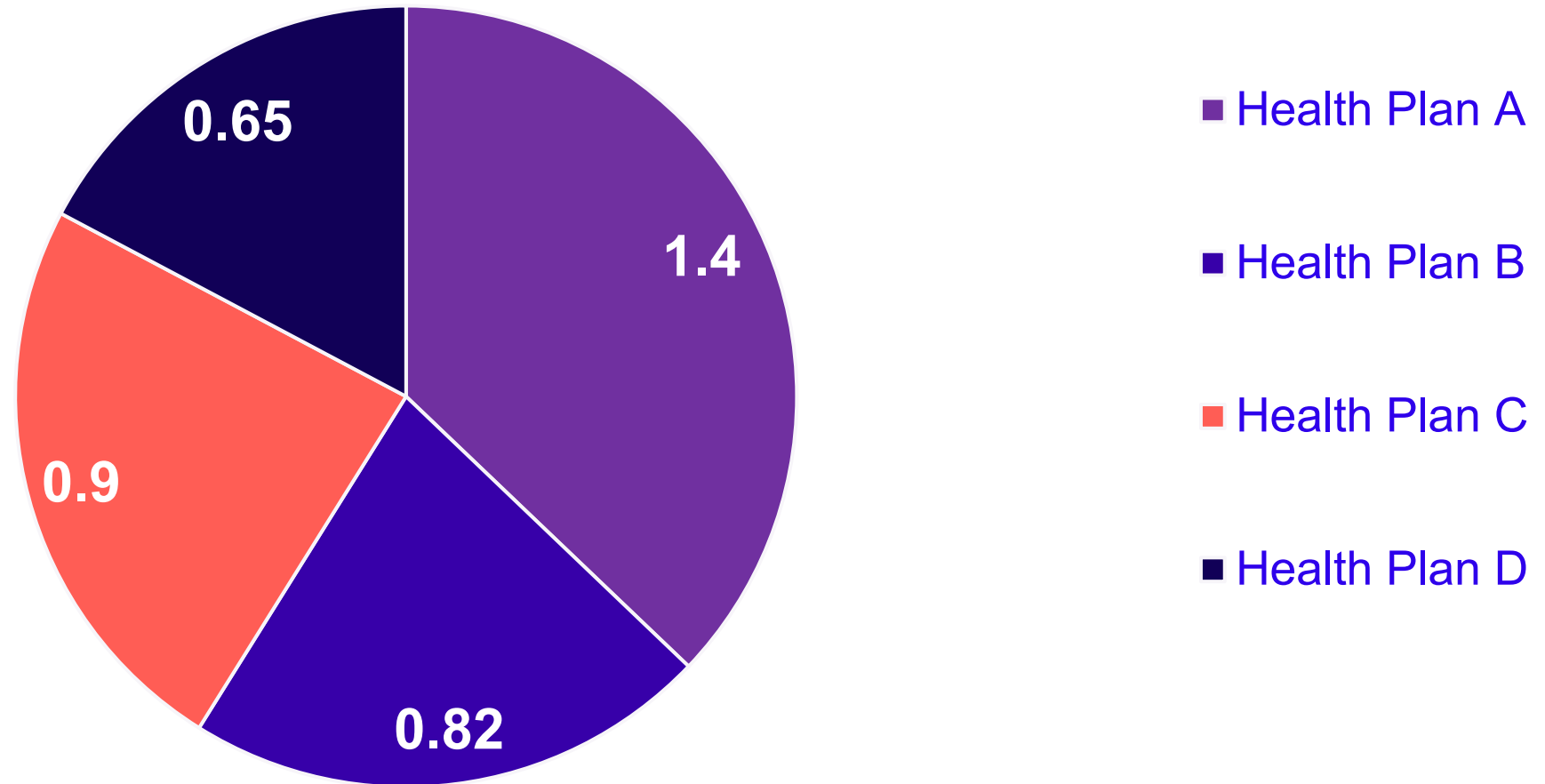
Condition	HCC	Risk Factor	Notes
Female, age 76	x	0.428	Default for Age/Gender
Myocardial infarction (Heart Attack)	128	0.283	
Ischemic Heart Disease	129	x	Condition is hierarchical to heart attack, no additional score
Chronic Obstructive Pulmonary Disease	280	0.388	
CKD 3	327	0.227	
Chest Pain	x	x	Condition does not map to an HCC
Ankle Sprain	x	x	Condition does not map to an HCC
TOTAL		1.326	

How RAF Affects Payment

	CMS Base Rate (PMPM)	Demographic Factor	HCC Factor	Total RAF	Reimbursement per Month	Reimbursement per Year
No HCCs	\$800	0.428	x	0.428	\$342	\$4,104
Some HCCs (MI)	\$800	0.428	0.283	0.711	\$568	\$6,816
All HCCs	\$800	0.428	0.898	1.326	\$1,060	\$12,720

ACA: Zero-Sum Game

Which Health Plan in this state has the sickest members?





What Impacts ACA RAF?

- Demographics (age, gender, location)
- Infants (under 12 months)
- Children (1-19)
- Adults (20+)
- RxCs
- Plan Metal Level



Medications that Risk Adjust

RXC_01	Anti-HIV Agents
RXC_02	Anti-Hepatitis C (HCV) Agents
RXC_03	Antiarrhythmics
RXC_04	Phosphate Binders
RXC_05	Inflammatory Bowel Disease Agents
RXC_06	Insulin
RXC_07	Anti-Diabetic Agents, Except Insulin and Metformin
RXC_08	Multiple Sclerosis Agents
RXC_09	Immune Suppressants and Immunomodulators
RXC_10	Cystic Fibrosis Agents

RAF Differences With Each Metal Level

		Platinum	Gold	Silver	Bronze	Catastrophic
Male 50-59	Demographic Score	0.364	0.275	0.21	0.123	0.122
HCC 20	Diabetic HCC	0.443	0.365	0.31	0.24	0.239
RX-06	Diabetes Medication	0.829	0.679	0.576	0.377	0.375
RX-07	Insulin	1.678	1.459	1.291	1.038	1.035
Total RAF		<u>3.314</u>	<u>2.778</u>	<u>2.387</u>	<u>1.778</u>	<u>1.771</u>

Select Health Mission:

**Helping People
Live The
Healthiest Lives
Possible**



“The key program goal of the ACA risk adjustment methodology developed by HHS is to compensate health insurance plans for differences in enrollee health mix so that plan premiums reflect differences in scope of coverage and other plan factors, but not differences in health status.”

(CMS Medicare & Medicaid Research Review, 2014: Volume 4, Number 3, “Affordable Care Act Risk Adjustment: Overview Context and Challenges”)



How does Risk Adjustment help our members?

1

Quality of Care

Appropriate medical decision-making across entire Provider continuum

Avoidance of harmful medication interactions or duplicate tests/procedures

2

Benefits Creation

Health Plans adapt their benefits to populations' needs

Future planning and budgeting

3

Accurate Data

Appropriate public health decisions

Population Health needs discovered, and assistance programs created

State and National databases are driven by aggregation of all payer data

How does Risk Adjustment help our members?

4

Market Stabalization

The more accurate Risk Adjustment the more sustainable health plans are

- Improves continuity of care
- Reduces patient abrasion
- Improves therapy adherence
- Improves preventive screening



Complete & Accurate Documentation & Coding

Risk Adjustment Coding Basic Requirements

1. All active conditions should be coded *each year*
2. Members must be seen in a face-to-face visit by an approved Provider (MD, DO, NP, PA)
3. Accurately and completely document and code medical records
4. Code to the highest applicable degree of specificity

Choosing Conditions to Code

Diagnosis MUST BE

Stated and Supported

in the documentation for that encounter

Official Coding Guidelines

Code **all documented conditions that coexist** at the time of the encounter/visit, **and require or affect patient care** treatment or management.

Do **not** code conditions that were previously treated and no longer exist.



Pop Quiz!

Does the documentation support Diabetes?

- Patient is doing well on Metformin for their Diabetes. Sent refill to pharmacy. Check fasting blood sugar next visit.

- A1C shows possible Diabetes. Re-check next visit.

- Patient has a history of Diabetes. They say blood sugars have been fine. They have gained 10 lbs. I encouraged them to walk daily.

Risk Adjustment Data Validation (RADV) Audits



- CMS requires that the medical record validate the diagnoses codes reported
- Potential of millions of dollars in penalties for unsubstantiated HCCs

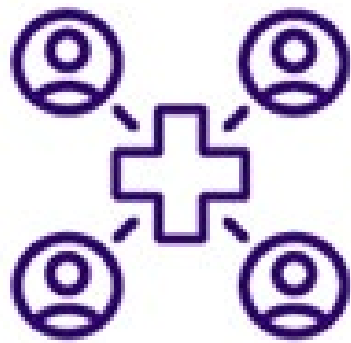
Medicare: Random - 201 members

- Chronic conditions specific (CHF, DM, etc.)
- Error rate- extrapolation against entire MA population

ACA- Yearly audit - 200 members per state

- Error rate compared against state market.
- Transfer of funds between plans based on error rate

Best Practices for Risk Adjustment



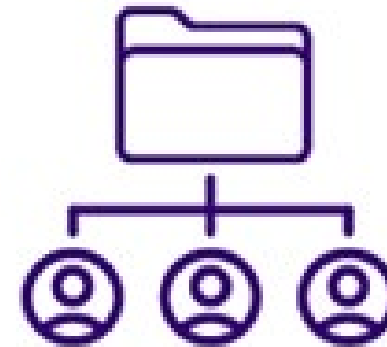
High-quality
member-provider
connections

.....



Accurate
medical charting
and coding

.....



Complete encounter
and supplemental
data submissions

Select Health's Proactive Approach

- Ongoing provider Education
- Provider Insight Reports
- Provider Engagement Tools
- Member Engagement
- In-Home Visits

Risk Adjustment Key Takeaways

- Mission: Helping people live the healthiest lives possible
- We encourage members to establish a relationship with their PCP and have an Annual Wellness Visit
- Help members understand their benefits – and use them!
- Encourage members to talk with their doctor about all the medicines they are taking and fill prescriptions utilizing their insurance benefits.
- Document and Code all current conditions that affect medical decision making and the patient's care.

Questions?