

TAKING CONTROL OF YOUR VALUE-BASED SUCCESS

RISK ADJUSTMENT AND VALUE-BASED REIMBURSEMENT

For a clinical practice, shifting to the value-based model of care offers sustained benefits for physicians and patients. If you are new to the Risk Adjustment Factor (RAF) payment methodology, here's what you need to know to position your practice for success.

WHAT IS RAF?

RAF allows the government to pay organizations for the patient's risk instead of a fixed amount. By doing so, the government is able to make appropriate and accurate payments for patients with differences in expected costs.

HOW ARE SERVICES BILLED?

The RAF is formulated from the ICD-10-CM codes that you include in your medical bills. The Centers for Medicare and Medicaid Services (CMS) and payers get the diagnostic information from the ICD-10-CM codes that providers use in their medical claims to adjust fixed monthly payments made to organizations.

5 TIPS TO PUT RAF INTO PRACTICE

1 Evaluate patients at least twice a year.

We recommend a comprehensive office visit evaluation of all active health conditions before June 30th, and another evaluation before December 31st.

2 Look beyond the chief complaint.

If you only address the issue that prompted the visit, you miss an invaluable opportunity for enhanced care and revenue. Expand your assessment to include all active and chronic conditions as well as any new ailments.

3 Every billed diagnosis must be documented in words and have a plan of treatment.

In order to bill an ICD-10-CM code, the documentation in the office visit must indicate that the diagnosis requires or affects patient care treatment or management (MEAT).

4 Submit all your encounters.

CMS and payers clear their RAF database every year. In order to receive the appropriate payment to manage your patients annually, you must resubmit the diagnostic data.

5 Identify which diagnoses have RAF.

Not all of them do. In fact, approximately only 9,000 out of 72,000 ICD-10-CM codes are included in the RAF methodology. A quick reference has been included on the back of this document.

DISEASE (HCC) GROUPS

Cancers

- Metastatic cancer and acute leukemia
- Lymphomas, lung, colorectal and bladder, breast, prostate, colorectal, and other cancers/tumors

Musculoskeletal & Connective Tissue

- Bone/joint/muscle infections and necrosis
- Rheumatoid arthritis and inflammatory connective tissue
- Muscular dystrophy

Endocrine & Nutritiona

- Diabetes with/without acute or chronic complications
- Cystic fibrosis, protein-calorie malnutrition and morbid obesity
- Other significant endocrine and metabolic disorders

Infections, Hematologic & Immune

- Immune system disorders
- HIV/AIDS and opportunistic infections, septicemia/shock
- Severe hematological disorders

Renal

- AKF, CKD stages 3a, 3b, 4, 5, ESRD, and dialysis
- Injuries and fractures – condition groups
- Spinal cord disorders/injuries, vertebral fractures without spinal cord injury
- Severe and major head injury, hip fracture/dislocation

Gastrointestinal

- End-stage liver disease, cirrhosis of liver, chronic hepatitis
- Intestinal obstruction/perforation, inflammatory bowel disease
- Pancreatic disease

Mental

- Schizophrenia, major depressive disorder, bipolar
- Unspecified psychosis
- Substance use disorders

Cardiovascular & Respiratory

- Respiratory arrest, cardiorespiratory failure and shock
- Congestive heart failure, acute myocardial infarction
- Unstable angina and other acute ischemic heart diseases
- Angina pectoris, cerebral hemorrhage and strokes
- Specified heart arrhythmias
- Chronic Obstructive Pulmonary Disease (COPD)
- Fibrosis of lung and other chronic lung disorders
- Aspiration and specified bacterial pneumonia
- Pneumococcal pneumonia, emphysema, lung abscess
- Atherosclerosis of extremities with ulceration or gangrene
- Vascular disease with/without complications

Neurological & Sensory Organ

- Cerebral palsy, hemiplegia/hemiparesis, paraplegia, quadriplegia, other extensive paralysis
- Infective and toxic polyneuropathy
- Multiple sclerosis
- Parkinson's and Huntington's diseases
- Seizure disorders and convulsions
- Coma, brain compression/anoxic damage, cerebral
- Hemorrhage, ischemic or unspecified stroke
- Proliferative diabetic retinopathy and vitreous hemorrhage

Ostomies, Amputations, Machinery Dependence & Other

- Respirator dependence/tracheotomy status
- Major organ transplant status
- Artificial openings for feeding or elimination
- Amputation status, lower limb/amputation complications
- Major complications of medical care and trauma

Integumentary

- Extensive third-degree burns
- Pressure ulcers II, III, IV, and unstageable
- Chronic ulcer of skin, except pressure

In addition, the following HCC groups are mainly used only in HHS-HCC (ACA/Commercial) models:

Pregnancy, Newborn & Congenital

- Ectopic/molar pregnancy, miscarriages and pregnancy with/without complications
- Immature/premature newborns
- Congenital skeletal, connective tissue and metabolic disorders
- Cleft lip/palate
- Down syndrome, Fragile X and other chromosomal anomalies
- Major congenital heart/circulatory disorders

Mental & Other Condition Groups

- Anorexia/bulimia nervosa
- Autistic and other pervasive developmental disorders
- Asthma

Additional Resources:

- HCC and codes that impact the CMS-HCC model: cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Risk-Adjustors.html
 - AAPC Risk Adjustment Search Tool: aapc.com/resources/riskadjustment/
 - RAF Manual: [csscooperations.com/internet/csscw3_files.nsf/F/CSSCparticipant-guide-publish_052909.pdf/\\$FILE/participant-guide-publish_052909.pdf](https://csscooperations.com/internet/csscw3_files.nsf/F/CSSCparticipant-guide-publish_052909.pdf/$FILE/participant-guide-publish_052909.pdf)
- ICD-10-CM
 - General information, codes, and official guidelines: cdc.gov/nchs/icd/icd10cm.htm
 - CDC Code Browser: icd10cmtool.cdc.gov/?fy=FY2021
- Coding Clinic: codingclinicadvisor.com/