

CMS-HCC Payment Model

NOTE: Applies to Samaritan Advantage Health Plan members

Purpose

Promote fair and accurate payments to Medicare plans based on the “true representation” of the member’s health status. Providers should see their patient’s at least once/year to discuss and submit a full medical assessment (document all diagnoses). Each condition must be documented each year to be considered in the CMS payment model.

- **CMS’s current** method for paying Medicare plans is to base payment on each member’s health status, which is based on diagnosis
- **CMS’s historical** method for paying Medicare plans was to pay a similar amount for all members based on demographic and service area calculation’s.

Methodology

CMS uses a payment model that identifies significant diseases by clustering ICD-9 diagnosis codes together that are determined to be clinically related and that have similar cost implications. This is called the:

- **The HCC Model** (Hierarchical Conditions Categories)

The HCC payment model allows CMS to **calculate a member’s risk score** from the diagnostic information that is received through your claims.

The risk score identifies the member’s health status (severity of illness) for the current year and the cost of their care.

- **This calculation = Samaritan Advantage Health Plan Payment**

For CMS to capture a member’s risk score, providers should submit as many diagnoses as possible during the claims submission process.

Factors that drive a risk score:

Hierarchies

ICD-9 codes that account for a member’s most severe manifestation among related diseases (**specificity in coding**)

Disease Interactions (Multiple Conditions)

Individuals may have more than one disease during the payment year. These combinations that co-exist are considered disease interactions. These disease interactions are:

- CHF (Congestive Heart Failure)
- ESRD (End Stage Renal Disease)
- COPD (Chronic Obstructive Pulmonary Disease)
- DM (Diabetes Mellitus), CVD (Cardiovascular Disease)
- CAD (Coronary Artery Disease)

All potential diseases have to be documented in one encounter to be considered for an interaction per Medicare.