



**Provider Education**

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# HHS-HCC

Health and Human Services Patient Risk Coding for the Healthcare Exchange

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The individual and small group healthcare exchanges were created as part of the Patient Protection and Affordable Care Act (PPACA) in 2014. Patient risk adjustment for the healthcare exchange is one of three premium stabilization strategies to protect participating health plans from adverse patient selection or cherry picking that could undermine the stability of the program. In addition to risk adjustment, reinsurance and risk corridors make up the three “R” of the premium stabilization program. The goal of risk adjustment is to adjust compensation to health plans for the differences in the enrollee health mix. The premium stabilization program transfers funds from participating health plans with lower-than-average risk to plans with higher-than-average risk.

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**CHI Health Partners is a major participant in the Nebraska Healthcare Exchange with one of the largest plans on the exchange: Medica with CHI.**

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The shared savings agreement between Medica and CHI Health Partners is based on a budget that is determined, in part, by the risk scores of patients attributed to our network. As such, it is important that participating providers understand the importance of complete and accurate coding with supporting documentation in the medical record to appropriately indicate each patient's health status.

## Population Risk-adjustment

Health and Human Services (HHS) uses a similar methodology, the Risk Adjustment Factor (RAF), as the Centers for Medicare and Medicaid Service (CMS) use to risk-adjust payments to insurers under Medicare Advantage and to also set budgets for Accountable Care Organizations (ACO) under the Medicare Shared Savings Program (MSSP). RAF is a sum of multiple factors (patient demographics, acute and chronic health conditions that drive healthcare costs, condition severity and patient maturity metrics-for infants) that determine the health risk of an enrollee. The health conditions are identified using Hierarchical Condition Categories (HCC). The HHS-HCC model utilizes many of the same conditions as the Medicare Shared Savings program, but also includes specific codes to risk-adjust pediatric, neonatal and pregnant populations. Similar to the CMS methodology, the HHS-HCCs need to be re-coded each calendar year to count towards the patient's RAF score. Appropriate documentation in the medical chart demonstrating that the condition is either being **M**onitored, **E**valuated, **A**ssessed or **T**reated is also required.

The HHS-HCC risk adjustment methodology utilizes separate models for adults (age 21+), children (age 2-20), and infants (age 0-1) to account for cost differences in each age group. In the adult and child models, the relative risk assigned to an individual's age, sex, and diagnoses are added together to produce an individual risk score. The infant risk scores are determined by inclusion in one of 25 mutually exclusive groups, based on the infant's maturity (determined by length of gestation and birth weight) and the severity of diagnoses.

There are 127 HCC presently being utilized in the HHS model, with 7768 ICD-10 codes mapping to an HCC.(1) The HHS-HCC model is a concurrent model meaning codes submitted during the current year are used to determine that year's budget, while the CMS model is retrospective using codes submitted from a previous year to estimate future healthcare costs. As such, the HSS model utilizes both chronic and acute conditions to determine healthcare cost in the current year (where the CMS model, in general, focuses more on chronic health conditions that drive future healthcare costs). (1) Examples of acute conditions include maternity care, low birth weight babies, and organ transplants.

HHS restricts the sources of diagnosis codes to improve accuracy. Clinical laboratory diagnoses, for example, which may include "rule-outs" or other diagnoses not verified by a clinician are not allowed. Allowable diagnoses include those from inpatient and outpatient facility claims and professional claims with at least one associated CPT code to help identify a face-to-face encounter. The HHS-HCC also aims to limit the use of codes which might represent poor quality of care (e.g.pressure ulcers or complications of care), random acute events (e.g. trauma) or codes that are susceptible to discretionary diagnosis coding or "diagnostic discovery". (1)

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Less than 1 in 5 adult patients on the exchange will have an HCC, but these patients drive a majority (60-80% depending upon the cost sharing level) of the medical spend in the exchange insurance plans making it essential to capture these codes. The most common HCCs in the adult model include:

1. HCC 21          Diabetes without complication
2. HCC 8            Major Depression and Bipolar Disorders
3. HCC 61          Asthma
4. HCC 20          Diabetes with Chronic Complications
5. HCC 160        COPD, including Bronchiectasis
6. HCC 12          Breast and Prostate Cancer, Benign/Uncertain Brain Tumors
7. HCC 142        Specified Heart Arrhythmias
8. HCC 130        Congestive Heart Failure
9. HCC 56          Rheumatoid Arthritis and Specific Autoimmune Disorders
10. HCC 209        Complicated Pregnancy with no or Minor Complications

Less than 10% of pediatric patients on the exchange will have an HCC. The 5 most prevalent HCCs in the Pediatric population are:

1. HCC 161        Asthma
  2. HCC 88          Major Depressive and Bipolar Disorders
  3. HCC120        Seizure Disorders and Convulsions
  4. HCC 21          Diabetes without Complication
  5. HCC 102        Autistic Disorder
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Some keys to the HHS-HCC methodology include:

- HCC22 Type 1 diabetes: This code is additive to the other diabetes HCCs (19,20,21) to boost the risk score of patients with type 1 diabetes to account for their increased medical costs.
  - Documentation of an accurate birth weight for premature infants is essential for accurate risk-adjustment of this population.
  - Asthma
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## **2022 HHS-HCCs**

**(Chronic HCC that need reassessing annually are in blue)**

**HCC001 HIV/AIDS**

HCC002 Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock

HCC003 Central Nervous System Infections, Except Viral Meningitis

HCC004 Viral or Unspecified Meningitis

HCC006 Opportunistic Infections

**HCC008 Metastatic Cancer**

**HCC009 Lung, Brain, and Other Severe Cancers, Including Pediatric Acute Lymphoid Leukemia**

**HCC010 Non-Hodgkin Lymphomas and Other Cancers and Tumors**

**HCC011 Colorectal, Breast (Age < 50), Kidney, and Other Cancers**

**HCC012 Breast (Age 50+) and Prostate Cancer, Benign/Uncertain Brain Tumors, and Other Cancers and Tumors**

**HCC013 Thyroid Cancer, Melanoma, Neurofibromatosis, and Other Cancers and Tumors**

**HCC018 Pancreas Transplant Status**

**HCC019 Diabetes with Acute Complications**

**HCC020 Diabetes with Chronic Complications**

**HCC021 Diabetes without Complication**

**HCC022 Type 1 Diabetes Mellitus, add-on to Diabetes HCCs**

HCC023 Protein-Calorie Malnutrition

**HCC026 Mucopolysaccharidosis**

**HCC027 Lipidoses and Glycogenosis**

**HCC029 Amyloidosis, Porphyria, and Other Metabolic Disorders**

**HCC030 Adrenal, Pituitary, and Other Significant Endocrine Disorders**

**HCC034 Liver Transplant Status/Complications**

HCC035\_1 Acute Liver Failure/Disease, Including Neonatal Hepatitis

**HCC035\_2 Chronic Liver Failure/End-Stage Liver Disorders**

**HCC036 Cirrhosis of Liver**

**HCC037\_1 Chronic Viral Hepatitis C**

**HCC037\_2 Chronic Hepatitis, Except Chronic Viral Hepatitis C**

**HCC041 Intestine Transplant Status/Complications**

**HCC042 Peritonitis/Gastrointestinal Perforation/Necrotizing Enterocolitis**

**HCC045 Intestinal Obstruction**

**HCC046 Chronic Pancreatitis**

HCC047 Acute Pancreatitis

**HCC048 Inflammatory Bowel Disease**

HCC054 Necrotizing Fasciitis

HCC055 Bone/Joint/Muscle Infections/Necrosis

**HCC056 Rheumatoid Arthritis and Specified Autoimmune Disorders**

**HCC057 Systemic Lupus Erythematosus and Other Autoimmune Disorders**

**HCC061 Osteogenesis Imperfecta and Other Osteodystrophies**

**HCC062 Congenital/Developmental Skeletal and Connective Tissue Disorders**

**HCC063 Cleft Lip/Cleft Palate**

**HCC066 Hemophilia**

**HCC067 Myelodysplastic Syndromes and Myelofibrosis**

**HCC068 Aplastic Anemia**

**HCC069 Acquired Hemolytic Anemia, Including Hemolytic Disease of Newborn**

**HCC070 Sickle Cell Anemia (Hb-SS)**  
**HCC071 Beta Thalassemia Major**  
**HCC073 Combined and Other Severe Immunodeficiencies**  
**HCC074 Disorders of the Immune Mechanism**  
**HCC075 Coagulation Defects and Other Specified Hematological Disorders**  
**HCC081 Drug Use with Psychotic Complications**  
**HCC082 Drug Use Disorder, Moderate/Severe, or Drug Use with Non-Psychotic Complications**  
**HCC083 Alcohol Use with Psychotic Complications**  
**HCC084 Alcohol Use Disorder, Moderate/Severe, or Alcohol Use with Specified Non-Psychotic Complications**  
**HCC087\_1 Schizophrenia**  
**HCC087\_2 Delusional and Other Specified Psychotic Disorders, Unspecified Psychosis**  
**HCC088 Major Depressive Disorder, Severe, and Bipolar Disorders**  
**HCC090 Personality Disorders**  
**HCC094 Anorexia/Bulimia Nervosa**  
**HCC096 Prader-Willi, Patau, Edwards, and Autosomal Deletion Syndromes**  
**HCC097 Down Syndrome, Fragile X, Other Chromosomal Anomalies, and Congenital Malformation Syndromes**  
**HCC102 Autistic Disorder**  
**HCC103 Pervasive Developmental Disorders, Except Autistic Disorder**  
**HCC106 Traumatic Complete Lesion Cervical Spinal Cord**  
**HCC107 Quadriplegia**  
**HCC108 Traumatic Complete Lesion Dorsal Spinal Cord**  
**HCC109 Paraplegia**  
**HCC110 Spinal Cord Disorders/Injuries**  
**HCC111 Amyotrophic Lateral Sclerosis and Other Anterior Horn Cell Disease**  
**HCC112 Quadriplegic Cerebral Palsy**  
**HCC113 Cerebral Palsy, Except Quadriplegic**  
**HCC114 Spina Bifida and Other Brain/Spinal/Nervous System Congenital Anomalies**  
**HCC115 Myasthenia Gravis/Myoneural Disorders and Guillain-Barre Syndrome/Inflammatory and Toxic Neuropathy**  
**HCC117 Muscular Dystrophy**  
**HCC118 Multiple Sclerosis**  
**HCC119 Parkinson's, Huntington's, and Spinocerebellar Disease, and Other Neurodegenerative Disorders**  
**HCC120 Seizure Disorders and Convulsions**  
**HCC121 Hydrocephalus**  
**HCC122 Coma, Brain Compression/Anoxic Damage**  
**HCC123 Narcolepsy and Cataplexy**  
**HCC125 Respirator Dependence/Tracheostomy Status**  
**HCC126 Respiratory Arrest**  
**HCC127 Cardio-Respiratory Failure and Shock, Including Respiratory Distress Syndromes**  
**HCC128 Heart Assistive Device/Artificial Heart**  
**HCC129 Heart Transplant Status/Complications**

**HCC130 Heart Failure**

HCC131 Acute Myocardial Infarction

HCC132 Unstable Angina and Other Acute Ischemic Heart Disease

HCC135 Heart Infection/Inflammation, Except Rheumatic

**HCC137 Hypoplastic Left Heart Syndrome and Other Severe Congenital Heart Disorders**

**HCC138 Major Congenital Heart/Circulatory Disorders**

**HCC139 Atrial and Ventricular Septal Defects, Patent Ductus Arteriosus, and Other Congenital Heart/Circulatory Disorders**

**HCC142 Specified Heart Arrhythmias**

HCC145 Intracranial Hemorrhage

HCC146 Ischemic or Unspecified Stroke

**HCC149 Cerebral Aneurysm and Arteriovenous Malformation**

**HCC150 Hemiplegia/Hemiparesis**

**HCC151 Monoplegia, Other Paralytic Syndromes**

**HCC153 Atherosclerosis of the Extremities with Ulceration or Gangrene**

**HCC154 Vascular Disease with Complications**

HCC156 Pulmonary Embolism and Deep Vein Thrombosis

**HCC158 Lung Transplant Status/Complications**

**HCC159 Cystic Fibrosis**

**HCC160 Chronic Obstructive Pulmonary Disease, Including Bronchiectasis**

**HCC161\_1 Severe Asthma**

**HCC161\_2 Asthma, Except Severe**

**HCC162 Fibrosis of Lung and Other Lung Disorders**

HCC163 Aspiration and Specified Bacterial Pneumonias and Other Severe Lung Infections

**HCC174 Exudative Macular Degeneration 1.570**

**HCC183 Kidney Transplant Status/Complications**

**HCC184 End Stage Renal Disease**

**HCC187 Chronic Kidney Disease, Stage 5**

**HCC188 Chronic Kidney Disease, Severe (Stage 4)**

HCC203 Ectopic and Molar Pregnancy

HCC204 Miscarriage with Complications

HCC205 Miscarriage with No or Minor Complications

HCC207 Pregnancy with Delivery with Major Complications

HCC208 Pregnancy with Delivery with Complications

HCC209 Pregnancy with Delivery with No or Minor Complications

HCC210 (Ongoing) Pregnancy without Delivery with Major Complications

HCC211 (Ongoing) Pregnancy without Delivery with Complications

HCC212 (Ongoing) Pregnancy without Delivery with No or Minor Complications

**HCC217 Chronic Ulcer of Skin, Except Pressure**

HCC218 Extensive Third Degree Burns

HCC219 Major Skin Burn or Condition

HCC223 Severe Head Injury

HCC226 Hip and Pelvic Fractures

HCC228 Vertebral Fractures without Spinal Cord Injury

HCC234 Traumatic Amputations and Amputation Complications

**HCC251 Stem Cell, Including Bone Marrow, Transplant Status/Complications**  
**HCC253 Artificial Openings for Feeding or Elimination**  
**HCC254 Amputation Status, Upper Limb or Lower Limb**

#### **References**

1. Kautter J, Pope G, Ingber M, Freeman S, Patterson L, Cohen M, Keenan P. The HHS-HCC Risk Adjustment Model for Individual and Small Group Markets under the Affordable Care Act. MMRR 2014.4:3
2. Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2021; Notice Requirement for Non-Federal Governmental Plans (CMS-9916-P) <https://www.federalregister.gov/d/2020-10045/p-208>.



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