It's Time to Go RAFeing

What you don’t know about risk-adjustment factor scores could cost you.

Not long ago, we introduced you to the concept of Hierarchical Condition Category (HCC) coding with “HCC Coding, Risk Adjustment, and Physician Income: What You Need to Know” (FPM, September/October 2016, https://www.aafp.org/fpm/2016/0900/p24.html). Specific and systematic diagnosis coding is essential to this concept, so in this issue we offer a how-to article, “Is Your Diagnosis Coding Ready for Risk Adjustment?” (page 21), and a comprehensive coding cheat sheet (page 27). These resources should help you increase risk-adjustment factor (RAF) scores for your Medicare and Medicare Advantage patients through more accurate and complete HCC coding.

Why should you add HCC coding to your already overfull plate? There are two reasons. One is good patient care. For example, higher scores can trigger the referral of a patient for case management in an accountable care organization (ACO) or help to identify candidates for chronic care management services. The second reason is money. Your practice’s RAF score will likely affect your compensation now or in the future.

Each patient’s RAF score depends on your coding. Medicare Advantage and exchange plans are paid based on patients’ RAF scores. A score of 1.00 is average, with the decimal places representing percentages above or below average. For example, if a plan’s average patient RAF score is 1.10, it will receive 10 percent more from Medicare. There are typically three ways a health plan passes on its loss or gain to you:

• It asks you to fill out a form designed to help enhance a patient’s RAF score. Completing these forms can feel like a nuisance, even though the plan is paying you or your practice to do it. Hopefully you have help.

• It pays capitation as a percent of premium and adjusts per-patient capitation amounts upward or downward as the average RAF score changes.

• Overall RAF scores adjust cost benchmarks in a shared savings arrangement, such as an ACO. If patients have higher RAF scores, their care is going to cost more, and if your ACO’s cost benchmark reflects that, your practice will be more likely to earn shared savings.

Still following me? This may seem arcane, but the reality is that somehow, someone is likely to link your practice’s average RAF score to your compensation. You should learn this stuff, boring and irksome as it may be. To make it slightly more exciting, think of the process of enhancing your RAF scores as the action verb to RAF. Then use our HCC coding tool when you go RAFeing to help you stay afloat.

Kenneth G. Adler, MD, MMM, Medical Editor
fpmedit@aafp.org