

Medicare Advantage Reimbursement

Need to Know

Did you know that every patient you see on a Medicare Advantage plan has an individually calculated Risk Adjustment Factor (RAF) that estimates that patient's health care costs over the next year? And that the RAF has been calculated from the diagnoses you and other physicians have submitted on claims? This RAF number is used by Medicare to determine how much CMS pays a Medicare Advantage Plan to cover the care for that patient.

Why should you care? Because the amount that the Medicare Advantage Plan is paid by CMS determines the richness of the patient's benefits (co-pay and deductible amounts) and whether they may be covered for additional services that original Medicare does not cover.

In order to accurately determine the RAF of a patient, claims should be submitted with ICD-9 diagnoses codes that are specific and accurate, and clinical documentation must support the diagnoses. Only codes that reflect a chronic condition that would be expected to increase the costs of a patient are used to calculate the RAF score. Codes that describe an acute condition (like an ankle sprain or URI) or a non-specific symptom (such as cough or joint pain) are not included in the calculation. Chronic conditions need to be coded at least annually for them to be taken into account when determining the RAF. Many times, physicians neglect to regularly code chronic conditions, such as renal failure, osteoarthritis or amputee status, particularly when they are well acquainted with a patient. Making an effort to regularly document and code for these chronic conditions will result in a fair and accurate RAF for each patient.

SelectHealth will be launching their SelectHealth Advantage plan on January 1, and Intermountain will have shared accountability for the success of this plan. Consequently, accurate RAF scores for Medicare Advantage patients will be important to the entire system. Intermountain clinicians will be asked to learn more about their role in ensuring RAF score accuracy and the role that it will play in shared accountability for SelectHealth Medicare Advantage, so stay tuned for additional information about Risk Adjustment and appropriate and precise documentation and coding.