

# Medicare

## RISK ADJUSTMENT REPORTING

### Overview

The Centers for Medicare and Medicaid Services (CMS) determines Medicare Advantage (MA) plan payments based on a risk adjustment formula. The formula uses diagnostic data to adjust for a member's health risk. CMS uses diagnoses reported from encounter and claims data by the health plan as a source of calculating the risk adjustment payment. Therefore, accurate claims data reporting from the provider to the health plan is more important than ever.

The following is a list of common errors in encounter and claims data reporting:

- Limited diagnosis codes – receiving only one or two diagnoses per encounter when some members can actually have five or more
- Not coding to the highest level of specificity – diagnoses should be coded to the fourth or fifth digit
- Invalid diagnosis codes – not a valid ICD-9 code
- History codes only – in addition to history codes, report all diagnoses that impact member care
- Low submissions – provider not submitting data on a regular basis

It is important that the coding properly reflect the member's health status. To ensure this occurs, below are tips on proper encounter and claims data reporting:

- Fully assess all chronic conditions every 12 months
- Thoroughly document in the medical record all conditions evaluated at each visit

- Document chart completely, properly and legibly
- Document and code to the highest level of specificity
- Fully utilize the ICD-9 diagnosis coding methodology
- Utilize Health Net's Suspect Reports to investigate possible missing diagnosis codes
- Properly document physician signature in the medical record

Health Net has partnered with Ingenix, a health care informatics company, to facilitate improved accuracy of reported conditions for Health Net MA members. Ingenix may be contacting providers directly to schedule charts reviews and provider education. By referencing Ingenix's provider-tested programs and services and by working directly with participating physicians, Health Net is able to positively impact quality of care for MA members. In addition, Ingenix assists Health Net members with scheduling provider visits. If Ingenix is successful in scheduling an appointment, they send the provider a report about the member's conditions and ask the provider to complete a form and return it to Ingenix once the visit is complete. Providers are paid by Ingenix \$50.00 per requested completed form.

If you are interested in provider education on risk adjustment reporting or have any questions regarding encounter data, contact Health Net's National Medicare Encounters Department via email at [National.Medicare.Encounters@healthnet.com](mailto:National.Medicare.Encounters@healthnet.com).



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