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Title: Hierarchical Condition Category Coding

Introduced by: Domenic Federico, MD, for the Kent County Delegation

Original Author: Jayne Courts, MD

Referred to: Reference Committee A

House Action: **AMEND**

Whereas, hierarchical condition category (HCC) coding provides a framework for risk adjustment of Medicare Advantage patients based on overall disease severity, particularly of chronic conditions, and

Whereas, this risk adjustment factor has been used to determine reimbursement rates by the Center for Medicare and Medicaid Services (CMS) since 2004, and

Whereas, the use of electronic health records (EHRs) makes obtaining and retaining this information easier than in the past, and

Whereas, CMS requires that each of these HCC codes is addressed with a review and treatment plan annually, and

Whereas, many of these conditions are past or chronic conditions that are stable but may still affect the patient’s well being (i.e., below knee amputation), and

Whereas, CMS eliminates all of these HCC codes annually on January 1 as if each Medicare Advantage patient is completely healthy, thus requiring that each of these HCC codes be coded again; therefore be it

RESOLVED: That the Michigan Delegation to the American Medical Association (AMA) ask our AMA to work with the Centers for Medicare and Medicaid Services (CMS) to establish a new policy to revise the current Medicare Advantage risk-adjustment process from one that results in the annual deletion of hierarchical condition category (HCC) codes associated with Medicare Advantage beneficiaries to one that permits past medical and surgical diagnoses to automatically follow the beneficiary from year to year when the HCC codes reflect chronic conditions that will never be totally resolved.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE