



Balancing the Scales for Dual Eligible Special Need Plans (D-SNPs)

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Congress created the Dual Eligible Special Needs Plan (D-SNP) program as part of the Medicare Modernization Act of 2003. Despite the stringent admission requirements necessitating qualification under both the Medicare and Medicaid program for eligibility into a D-SNP program, nearly 10 million seniors and individuals with substantial disabilities qualify as dually eligible beneficiaries and millions more stand to benefit from inclusion into the program over the coming years.

To empower the program's sustainability, implementation of a sound approach to risk adjustment and verification is not only a worthwhile endeavor for D-SNP program administrators to undertake, but vital for safeguarding population health and for ensuring that providers are justly compensated for the services they provide.

D-SNP's Challenge

Historically, dual eligible beneficiaries have been required to seek assistance by not only engaging Medicare and Medicaid programs independently, but also through enrollment in Medicare Prescription Drug Plan (Part D) for much needed medicines. In the interest of easing this unnecessary burden, the D-SNP program was established to serve as an integrated health hub to service the needs of these beneficiaries. Despite the high prevalence of illness and complex medical conditions afflicting dual eligible beneficiaries, many of these members are improperly catalogued by incorrect ICD-9 codes and are, in turn, placed into lower or inaccurate Hierarchical Condition Categories (HCCs).

The result of this breakdown is that these beneficiaries are being assigned lower Risk Adjustment Factor (RAF) scores than their conditions dictate, thereby undercutting the resources available to ensure their wellbeing – as well as the compensation set aside for providers to deliver the best care possible to this extremely at-risk and rapidly growing population.

The Right Tools for the Right Job

Getting in front of this disparity will require a logically sound approach to risk adjustment that, primarily, ensures diagnosis capturing has been properly performed for all D-SNP beneficiaries. Such a methodology must be rooted, first and foremost, in bedrock of actionable experience and process-driven best practices – refined by industry-specific know-how. The good news is that the same

prospective payment and risk adjustment methods utilized by experienced PACE and Medicare Advantage (MA) risk adjustment professionals are just as relevant to D-SNP programs.

Selecting a capable risk adjustment vendor is, therefore, simply a matter of locating a knowledgeable and dependable company with a track record of providing excellent risk adjustment and verification services to PACE and Medicare Advantage plans. The challenge, then, is discovering how to properly gauge the quality of a risk adjustment vendor - with reference to the aforementioned credentials.

The Hallmarks of Competency

So, what makes a good risk adjustment vendor?

The answer is that D-SNPs don't actually want a *vendor* at all, but a *strategic partner* that will work hand-in-hand with the plan to produce quantifiable results. It is only through sound analytic tools, a team of highly skilled credentialed reviewers, and the execution of tried-and-true best practices that a risk adjustment partner can prove to be of any value to D-SNPs and the ailing beneficiaries that these plans serve. As the aim of any risk adjustment effort is to ensure that the conditions of plan members are correctly chronicled and that providers are properly reimbursed for the care that they deliver, prospective partners must be able to accomplish four key objectives to be worth engaging:

1. Accurately calculate the relative health status of D-SNP beneficiaries based upon disease acuity
2. Perform fact-based adjustment of payments based on the relative health status of an enrollee
3. Document processes and procedures to protect D-SNP programs during risk adjustment audits
4. Ensure that D-SNP programs are accurately compensated for the risk they've assumed

Meeting these obligations is, quite frankly, a herculean task for vendors lacking a comprehensive understanding of risk adjustment methodologies, insight into the intricacies of Centers for Medicare & Medicaid Services (CMS) procedures, and the shifting rules and regulations that influence the risk adjustment landscape. Key metrics of actionable knowledge and processes inherent in a great risk adjustment partner should, therefore, include:

1. New Member Assessment -

There are advantages and disadvantages brought by new beneficiaries enrolled into a D-SNP and each must be taken into account when they first enter the program. A competent risk adjustment partner will not only possess the capacity to educate a D-SNP program on these benefits and risks, but will be able to assist with the proactive development of a new member strategy that assesses the accuracy of assigned risk scores, evaluates proper HCC mapping, charts trails of documentation, and identifies uncertain diagnoses for subsequent examination.

2. Exceptional Coding Proficiency -

Let's face it - a risk adjustment partner is only as good as its reviewers. When gauging a prospective partner's capacity to assist with risk adjustment activities for D-SNP programs, it is imperative to ensure that the organization's coders are fully experienced in medical record coding, proficient in HCCs, capable of applying ICD-9CM coding conventions (and ICD-10 when applicable), knowledgeable in official ICD-9CM Coding Guidelines, and well-versed in HHS

regulations. All coders should, at a minimum, possess the appropriate certifications required to carry out a complete review and project a commitment to continuous education in the face of changing regulations.

3. Integrated Quality Control -

While many risk adjustment vendors view quality control as a backend task performed to placate plans, a true partner values quality and will integrate controls throughout the risk adjustment process as a rule, rather than an exception. D-SNPs shouldn't hesitate to ask a prospective partner to describe their quality assurance process in-depth and to provide details on how they ensure that their reviewers' findings will fare under an auditor's scrutiny.

4. Collaborative Review Opportunities -

A true risk adjustment partner will not shy away from a D-SNP's request for an intimate review of their findings, but will welcome a chance to elucidate discoveries. The ultimate goal of a risk adjustment partner should be, after all, to empower the D-SNP with the tools that they need to control and leverage their data. There is no room for ambiguity.

5. Demonstrable Results -

If a prospective D-SNP risk adjustment partner cannot or will not provide verifiable evidence of successful performance on behalf of PACE, Medicare Advantage, or other special needs plans – it might just be a red flag that the vendor is new to the game or simply in over their heads. D-SNPs should expect nothing less than full disclosure from their potential partners when it comes to past performance.

Empowering D-SNP Success

To effectively accommodate the growing number of individuals destined for dual eligibility, and to properly chronicle the rising risks inherent in a population facing significant health risks, D-SNPs must take action to get in front of their risk adjustment challenges sooner, rather than later. Risk adjustment organizations with a significant portfolio of PACE and Medicare Advantage clients are uniquely positioned to address the needs of dual eligible beneficiaries and to provide D-SNPs with the services that they desperately need to ensure proper revenue generation and a healthy continuum of care for their patients.

Just as D-SNPs utilize the same sweeping triumvirate of care encompassing annual assessments, individual care plans, and interdisciplinary care teams as PACE plans mandate; so too should risk adjustment be viewed as a valuable factor in the complete health care equation. In the end, after all, it all adds up to better health care.

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