

# 3 Questions

## Risk Adjustment Gurus Always Ask



Talix<sup>™</sup>

# Introduction



There's no denying that risk adjustment is the new reality. As the healthcare industry continues its shifting momentum toward value-based reimbursement, the question is no longer whether your organization will embark on a risk adjustment path, but how you can do it most effectively and efficiently—all while continuing to provide affordable plans for comprehensive, high-quality patient care. This is how you get to be a risk adjustment guru.

Initially, many companies turned to third-party risk adjustment vendors in the hopes of offloading the burden. Perhaps your company was one of them. But as compliance standards grow more stringent and complicated, coding accuracy becomes increasingly critical, and audits ever more likely, you might be wondering if outsourcing your entire risk adjustment program is still a wise move.

- **Maybe you're finding it too expensive overall, and you're looking to cut costs.**
- **Maybe you need higher retrieval rates, or you're simply not seeing high enough reimbursements.**
- **Maybe your vendors aren't giving you enough visibility into their actions, or they're creating rifts in other partner relationships.**
- **Maybe you're not equipped with the resources to efficiently code the rising influx of patient charts.**
- **Maybe you're just tired of feeling like risk adjustment is something you should control—but can't given your current configurations.**

If these issues sound familiar, rethinking your risk adjustment program could help you achieve greater efficiency and productivity. But what exactly should you change? And how do you find the right program structure and, if needed, the right vendors to meet your needs?

**Here are three critical questions that today's gurus always consider before finalizing any decisions.**

# QUESTION 1. Who's in Charge?

While outsourcing elements of your risk adjustment program absolutely makes sense, putting 100% of the processes and decisions into an outside vendor's hands can be costly on several levels—particularly if they are the ones selecting and managing your technology platform.

As you weigh your options, consider how these issues might be affected depending on who's driving the technology and the program at large.



## VISIBILITY

Whoever controls your technology implementation ultimately controls the level of transparency allowed. Be sure you position yourself to see what matters. If you can't identify issues, you can't fix them. If you don't know how fast or accurate coders are, you have no idea whether your payment model is efficient—or if you're even meeting CMS standards. If a vendor doesn't want to (or can't) provide visibility, that's a red flag.



## FLEXIBILITY

If you don't select the platform, you don't control which features, formats, connectors, or workflows are possible—which can make integration with your other systems a beast. And unless you manage the technology in-house, you could get locked into long-term solutions or fixed coding structures. If you want the flexibility to ramp up or down depending on the season, or if you'd like the freedom to structure some mix of in-house, onshore or offshore coders, then you should be the one calling the shots.



## ACCURACY

CMS demands 100% coding accuracy—and you're the one they hold accountable in an audit. But what happens if you're stuck with a vendor that's only willing to deliver 95%, or that uses sub-par technology? Remember that optimal accuracy demands advanced technology, including purpose-built NLP, machine learning, and the ability to automatically flag documentation gaps and missed codes. Be certain you're getting what you need.



### PRODUCTIVITY

Your risk adjustment program should deliver high coder productivity at the most cost-effective rates—but these things depend on a variety of factors, including the technology at play, the workflows in use, and the payment model selected. Ask who will be in control of these elements. Will coders have automation tools to minimize manual chart work? Will you have access to reports that show you which coders are performing well or not? And will you be able to re-allocate and re-prioritize coders to more efficiently meet cost and capacity requirements?



### ANALYSIS

Many third-party platforms don't have extensive NLP and machine learning capabilities, and therefore miss the important diagnostic details hiding in unstructured data such as specialist notes, radiology reports, and consult notes. Unless you have ownership of your risk adjustment technology, you can't guarantee the features necessary to comprehensively mine these valuable data assets.



### SECURITY

If you're sending data to offshore coders, you need to know what level of access people have, and what security measures they have in place. Can a third-party vendor give you these details? A huge advantage to controlling your own technology platform is that you set the security standards necessary for compliance, thereby minimizing risk. Moreover, you can opt to work with technology that's certified by HiTrust at the product level—showing customers that you're fully invested in protecting their valuable data.

**BOTTOM LINE:** The more ownership you have over your risk adjustment technology and processes, the better positioned you are for success.

## LEVERAGE YOUR STRENGTHS, AND KNOW YOUR LIMITATIONS.

*Taking back ownership and rethinking your risk adjustment program doesn't mean building everything from scratch.*

*As one Talix customer said, "Where we could build it, we were going to build it. And where we realized that we didn't have the time or the money or the resources or the expertise, we were going to find the right partners to do it."*



### WHAT DOES THE RIGHT TECHNOLOGY LOOK LIKE?

While there are many components to consider when selecting a risk adjustment platform, some pieces of the puzzle are vital to guiding the kind of productivity and quality you can expect.

#### NATURAL LANGUAGE PROCESSING (NLP)

Today's strict accuracy requirements demand a risk adjustment platform that's capable of deciphering natural language across both structured and unstructured data sets, and that has extensive databases of diagnoses, conditions, symptoms, and more. Furthermore, a platform should offer configurable clinical and coding rules to provide you with the greatest flexibility for your specific business needs. As a word of caution: Don't be fooled by solutions that tout "artificial intelligence" as the basis of their superiority. AI isn't really a player yet in the world of unstructured patient data. NLP is, at present, the only real mechanism for analyzing unstructured text.

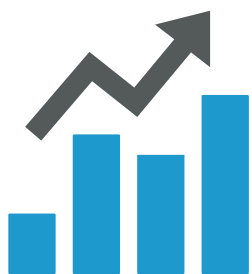
#### SOPHISTICATED WORKFLOW CAPABILITIES

If you intend to use a "Flex Model" approach split between in-house and offshore coders—and you also need the ability to ramp a solution up or down according to seasonal variations—look for a platform that's engineered for this kind of sophistication.

#### INTUITIVE USER INTERFACE

The greatest NLP, machine learning, and workflow sophistication in the world mean nothing if you can't present information in a meaningful and functional manner. Be sure your coders find the platform easy to use.

## THE RIGHT TECHNOLOGY MAKES ALL THE DIFFERENCE.



*Talix customers have reclaimed the risk adjustment process using Talix Coding InSight technology and partnerships with other vendors. One company saw accuracy rates that were already impressive improve by an additional 10%. And productivity rates have soared, in some instances by 135% in just 2 days.*

## QUESTION 2. What's the Payment Model?

Let's assume you opt to bring risk adjustment back in-house because you want more control. And let's also assume you choose a technology platform that enables true coding flexibility, so you can implement the coding structure that best suits your needs—whether that's all in-house, all offshore, or some combination of the two.

**But here's the thing:** If your new technology infrastructure also increases coder productivity—and gurus know that it should—the standard per-chart payment model no longer makes sense. If a coder can now process twice as many charts a day, for example, you'll pay twice as much for the same amount of time.

**Wouldn't it be smarter and more efficient to flip the model, and pay coders by the hour instead?** After all, they aren't working more hours—they're simply more productive with their time. (And odds are they were already being compensated by their employers on an hourly basis anyway.)

Flipping your economic approach like this delivers other advantages as well:



If you've opted to own the implementation and technology, you'll have greater negotiation leverage with vendors. They no longer have to worry about housing chart data or having the right security protocols in place for the coders who are accessing it—all things that are taken into account when paying in a per-chart model. There's no reason to pad their costs to accommodate those extras. You simply want to pay them by the hour for coding. Everything else is under your control.



You set the standards for service now. You have complete transparency, and they can't hide their productivity ratings and low performers. You see it all. As such, it's wise to hold your coding vendors accountable to Service Level Agreements, so there's a clear understanding of the productivity and quality that you expect. If you know your technology equips them to code 64 charts per day, that's what they will deliver. If you identify lower-performing coders, you can have them replaced with more productive ones. And if the QA scores don't meet your standards, you can find a new vendor.



Given these stipulations, you want to hire vendors who see themselves as part of your team, working with you and not for themselves. While you might encounter some resistance, the companies that are open to your approach are far more likely to stand by their quality and their productivity. These are the kind of partners you need.

**BOTTOM LINE:** Paying external coders by the hour, rather than by the chart, is the most logical and efficient payment model—especially when you own the technology implementation.

## DOES FLIPPING THE ECONOMIC MODEL REALLY SAVE YOU MONEY?

**Absolutely.** One Talix customer, a major health plan provider, flipped the payment model and leveraged increased productivity to take **total costs down by 70%**, resulting in several million dollars of measurable program cost savings. This same client also saw **coder productivity gains of 77%** with a **10% increase in coding accuracy**, resulting in additional savings and program success.



**70%**  
LOWER COSTS



**77%**  
MORE PRODUCTIVE



**10%**  
MORE ACCURATE

## QUESTION 3. What else can you give me?

On your journey toward greater efficiency, you're considering who will control your risk adjustment processes and technology. You're considering the most cost-effective payment model with coders. The last step is figuring out how you can leverage your data beyond coding to extract additional insights—because this is how true gurus generate further, long-term value.

**As you finalize decisions regarding your program's structure, consider these key points:**

**You don't need the big picture—you need the *whole* picture.** Your coders are tasked with identifying documentation gaps and errors, and then filling in that missed information. If you relied on an outsourced solution, you'd simply see the result of the coders' efforts—the completed chart. Only if you have access and visibility into the raw data can you assess where those gaps originally were. Moreover, you can identify potential trends with providers who might routinely miss specific codes, or who might forget to code certain members with chronic conditions, and then investigate ways to educate those providers and prevent these mistakes from occurring in the future.



**Timing is everything.** If you implement a technology platform that can generate real-time reports, you can have more up-to-the-moment details to analyze, across a wide range of customized data sets—and you can potentially use this intelligence to shift from retrospective to prospective risk adjustment.

**Collaboration pays off.** Value-based initiatives require the exchange of patient data in real-time, regardless of whether you are a provider, a payer, or a “pay-vider”—yet one of the biggest challenges payers and providers face is collaboration at both the data and technology levels. With the right technology platform, such as that offered by Talix, you can be uniquely synchronized across the payer/provider ecosystem to extract data value to optimize both coder efficiency and stakeholder outcomes.





**BOTTOM LINE:** The right strategic insights can help both payers and providers better conserve resources and elevate efficiency across the business—which, in turn, can lead to better, more affordable patient care.



### **DON'T FORGET TO GET BUY-IN!**

Successful initiatives always get a thumbs-up in advance from influential decision-makers. Be sure you include these on your list:



**CODERS.** Let them give the technology a spin and ensure the user interface is intuitive and easy to use. Remember, a happy coder is a productive coder.



**COMPLIANCE TEAM.** Knowing your platform is secure and your data stays onshore makes compliance and legal folks happy.



**LEADERSHIP.** Money talks. Show executives the savings that other companies are already seeing, the specific projected savings you anticipate, and how fast you can expect to achieve results.

## Conclusion



For all our focus on the practicality and economics of risk adjustment, we should remember that the model is ultimately about helping members secure affordable, quality care. Getting to that point, however, requires that health plans turn their attention to creating the most cost-effective risk adjustment programs possible.

As with most processes in a health plan, the success of a risk adjustment program is measured across a continuum. Whether you're looking for solutions for pre-coding review, first pass review, second level or a final QA and Audit, you need technology that enables and supports the best use of your human and economic resources. That means taking as much control over the implementation of the program as possible, ensuring the most logical and efficient payment model is in place, and optimizing your available data for the greatest strategic value over the long term. When you can accomplish these steps, you've earned guru status. You're not only working toward greater accuracy from a risk score standpoint, but you're also helping to set the stage for a more self-sustaining healthcare ecosystem—one that's continuously assessing conditions, educating providers, and impacting patient care for the better.