quality impact
THE COSEHC™ PRACTICE TRANSFORMATION NETWORK
Improving Care Delivery Across the Southeast

Getting Started Guide:

Risk Stratification

OBJECTIVE: The purpose of this guide is to provide your system or practice a strategic approach to patient risk stratification. An efficient risk stratification process supports value-based payment models and ensures appropriate care-management and care-coordination resources. The current trend in healthcare payment is towards a value- or performance-based payment model, which may be built around quality measurement, shared savings, and accountability. Existing value-based payment structures include accountable care organization (ACO) models (i.e., the Medicare Shared Savings Program [MSSP] or commercial programs), alternative payment models (APMs), and the Medicare Merit-based Incentive Payment System (MIPS). The movement towards value payment is a significant driver for systems and practices to implement a risk-stratification process.

AREAS OF CONSIDERATION

FINANCIAL RESOURCES

Review financial resources available to support a risk-stratification process in your system or practice. Financial support will determine the approach to risk stratification. If financial reserves limit the budget potential, it is important to identify revenue opportunities and optimize performance payment alongside a comprehensive risk-stratification process.

PAYMENT MODELS

Value-based payment opportunities (both those currently available and those in development) are motivating systems and practices to develop their own risk-stratification processes. Consider the payer climate for performance payment and shared savings in your market; payment models may include Medicare's MIPS, APMs, MSSP, and/or ACOs.

ASSESS THE CURRENT STATE

VALUE-BASED PAYMENT

Review current payer contracts, especially any performance-based or shared-savings payment contracts, and assess performance. This review should include revenue not received and quality or cost measures that influence the lack of revenue capture. A payment-performance review can help identify populations to target for risk stratification.

RISK STATUS

Identify payers and/or hospital resources assigning a risk score for patients. If possible, identify the criteria being used by each entity to assign the score. Review available reporting resources and assess their associated population risk-stratification or predictive-modeling capabilities. Identify electronic medical record (EMR) capabilities for risk stratification or predictive modeling. In addition, review practice-management and EMR resources that can contribute risk-status documentation. Identify discrete fields in the practice management system and/or EMR that allow you to document and update the risk status of individual patients.

PHYSICIAN/PROVIDER ENGAGEMENT

Understand how physicians, providers, and other staff view current and potential risk-status and/or care-management resources. For example, do they have access to telephonic care-management staff? Would they value support from this type of resource, or do they see it as a nuisance/of minimal value? Gathering physician/provider perspectives will help your system or practice develop an effective approach to risk stratification and subsequent care management. Identify successes and/or opportunities around the care-management resources currently being used, and consider whether having care-management resources embedded in primary care practice is a feasible approach to providing care for your organization's high-risk patients.

STEP-BY-STEP IMPLEMENTATION INSTRUCTIONS

1. DEFINE THE BUSINESS CASE FOR RISK STRATIFICATION

RESOURCES:

+ Business Case for Patient-Centered Care
+ ROI Calculator Instructions
+ ROI Calculator for Patient-Centered Care

An important early step is to define the business case for a patient population risk-stratification process. This may be a strategic step to ensure or improve performance around value-based payment measures, including Medicare MIPS or APMs, or it can be a visionary step preparing for a successful value-based payment future.

- Review current contracts for performance- or value-based payment components and create a summary of criteria for value-based revenue
  - Include a review of the Physician Quality Reporting System (PQRS), Quality and Resource Use Reports (QRUR) reports, and Medicare Advantage Plan reports
  - Include a review of any commercial performance payment program data
  - Include a review of all available payer cost data
    - Review cost/utilization data on commercial patient populations to help identify priorities for the Medicare population when minimal cost data is available (i.e., extrapolate cost trends from the commercial population to the Medicare population)
- Budget for a risk-stratification program
  - A budget can help prioritize elements within risk stratification so that the approach chosen is sustainable
  - A budget will help provide risk-stratification return on investment (ROI) estimates
- Confirm organizational leadership engagement with the business case for risk stratification
  - Engage both administrative (C-suite) and clinical leaders (physicians, providers, and staff)

2. DEFINE A GOAL FOR THE RISK-STRATIFICATION PROCESS

RESOURCE:

+ Example Risk-Stratification Goal Statement

Taking the time to define a goal or approach to risk stratification will help your system or practice be strategic about this process. Population risk stratification can be very comprehensive and require many resources, or it can be simplified to target specific groups (e.g., patients with poor control of a chronic condition or with frequent hospitalizations and/or ER visits). The strategic approach to risk stratification selected by your system or practice should be guided by available revenue or by an identified opportunity to generate revenue. While a comprehensive approach requiring substantial investment in risk-stratification software and IT resources may be the ideal, most systems and practices will develop a strategy around a specific, targeted payment model. Define and consider what is feasible for your system or practice as you start this journey.

As your system or practice works to define its risk stratification process goals, consider establishing both 1-year and 5-year goals. This will allow the short-term approach to be framed within a longer-term vision, and will thus help guide timelines for implementation and other action steps. In establishing your risk-stratification goals and process, you will also highlight the patient populations that your system or practice wishes to target or prioritize.

Some systems and practices choose very targeted approaches to risk stratification that define resources more strictly and that are supported by a specific revenue stream. Consider identifying high-risk patient populations (e.g., multiple comorbid chronic conditions and high utilization), as well as patients who are trending towards high-risk status.

Examples of targeted approaches to risk stratification include:

- Implementation of an Annual Wellness Visit (AWV) program: Targets the Medicare patient population. Process includes a risk assessment and involves standardizing risk criteria and risk assignment
- Implementation of a Transitions-of-Care Management (TCM) and/or a Chronic Care Management (CCM) program: Targets the Medicare patient population, patients at the point of hospital discharge, and/or patients with qualifying chronic conditions. Process includes a risk assessment and involves standardizing risk criteria. Define your system or practice's risk-stratification goal statement
- Participation in a commercial-payer program (e.g., Blue Cross Blue Shield [BCBS] Louisiana's Quality Blue Primary Care [QBPC] collaborative, which offers shared-savings potential for patients with emergency room (ER) visits. Targets patients with specified chronic conditions and ER visits. Risk stratification may include utilizing the Blue Cross Blue Shield of Louisiana's list of high-risk patients, or assigning a risk score to patients with an ER visit and identified chronic conditions

- Define the goal for your risk-stratification process
- Define the target population for your risk-stratification process
  - Comprehensive:
    - All patients attributed to the system (hospital, specialty care, primary care)
    - All patients attributed to the primary care network or practice
  - Targeted (dependent on revenue opportunity):
    - Medicare patient AWV program
    - Medicare patient recent (within 3 days) hospital discharge TCM program
    - Medicare patient multiple chronic conditions CCM program
    - Commercial payer programs for high-risk patients with specified chronic conditions
    - Commercial payer programs for patients with a potentially preventable ER visit

3. IDENTIFY RESOURCES FOR THE RISK-STRATIFICATION PROCESS

As you review your risk-stratification goals and target population, consider potential resources.

- Identify resources needed to achieve short- and long-term risk-stratification goals. Consider:
  - Risk-stratification analytics platforms (typically used by large integrated systems and requiring significant financial and IT investment)
    - Johns Hopkins ACG System
    - Milliman Advanced Risk Adjustors (MARA)
    - IBM Explorys/IBM Watson Health
    - 3M Healthcare Transformation Suite (Treo Solutions)
    - Hierarchical Condition Category (HCC) coding platforms
  - Risk assessment or screening tools (ideally can be integrated into your EMR)
    - Memorial Care Risk Identification and Stratification categories
    - Harm 8
    - American Academy of Family Physicians (AAFP) risk-stratification tool (available free for AAFP members; small fee for nonmembers)
    - LACE index (hospital readmission-risk tool)
  - Payer- or practice-created lists of high-risk patients
    - Payer high-risk patient lists
    - MD Insight (or other population-management software) high-risk patient list
    - Hospital and ER patient lists
- Educate all staff, including executive leaders, physicians, providers, and clinical team members on the early risk-stratification process

RESOURCE:

+ Risk Stratification Medthods. AnnFamMed
+ Examples of risk status tools
+ Example. LACE integration into EPIC
+ Understanding Risk Stratification, Comorbidities, and the Future of Healthcare
+ Building an Intensive Primary Care Practice. American Medical Association (AMA)
+ Hospital Score and LACE Index as predictors of Readmission
+ High Need High Cost Patients. CommonwealthFund

4. IMPLEMENT THE RISK-STRATIFICATION PROCESS

Implementation (discussed in this section) is driven by resource selection (discussed in section 3). Key tasks are:

- Develop an initial list of high- and moderate-risk members within your patient population
  - Comprehensive approach: The list may be large or small depending on the criteria used. Review your initial population list and filter as needed based on resources available to manage this population
  - Targeted approach: This targeted high-risk list may start out small and then expand to include patients with additional criteria
    - For example, your system or practice may decide to target ER use, in which case you will need to find out which patients are using ER services. You may find it efficient to request that payers send lists of all their members who have visited the ER in the last 6-12 months These lists can then be filtered to include only those patients with heavy ER use
    - This targeted list of high-risk patients may be expanded to include those diseases frequently prompting ER visits (e.g., asthma or congestive heart failure)
- Assess information available for initial high- and moderate-risk patient populations to define next steps (e.g., common chronic conditions, socioeconomic factors, and/or common utilization patterns)

RESOURCE:

+ Building an Intensive Primary Care. AMA
+ Population Risk Stratification and Cohort Identification. Stratis

5. RISK-STATUS DOCUMENTATION

As your system or practice implements a risk-stratification process, it is important to define how the risk-status information will be used to improve care for high-risk and at-risk patients. A best-practice model for the effective management of these patients includes concrete strategies for engaging the entire healthcare team. These strategies include establishing and clarifying the responsibilities associated with each care team member role, ensuring role and task clarity via education initiatives, and then implementing this new role-defined approach.

RESOURCES:

+ Examples NextGen Risk Stratification Documentation

- Each system or practice should consider where its risk-status information will be documented
  - As per the best-practice approach, this information should be available in the practice-management system (available to call center staff, front desk staff, and clerical staff) and in the EMR system (available to clinical staff, providers, and physicians)
    - Practice management system discrete field _____
    - EMR system discrete field _____
    - Care manager patient list _____
  - For the strategic approach, define where this information will be integrated into the patient-list review and workflow
    - Define the process for risk-status updating, if applicable
    - If risk status assignment is done as a part of a health assessment, define the frequency of follow-up assessments and status updates. The owner of the risk status reevaluation process should be defined

6. ENGAGING THE CLINICAL TEAM IN RISK STRATIFICATION

A well-integrated approach to risk stratification and care management engages the primary clinical team. For example, primary care physicians (PCPs) should validate patient-risk status and adjust status lists, and clinical teams should be able to articulate risk-stratification goals, the impact of these goals on value-based care, and the value of risk stratification for patients.

- Implement a process that engages the clinical team in reviewing high-risk and at-risk patient lists. Formalize procedures for clinical team members to weigh in on these lists and to discuss how to identify patients who may have been overlooked
  - Regardless of the initial risk-stratification process established, it is important to include a step in which the PCP validates the risk status assigned to patients
- Educate your staff on the impact of coding in risk stratification. Regardless of the risk-stratification process your system or practice implements, Medicare and Medicare Advantage plans use a HCC model of risk assignment and the HCC model depends on coding accuracy. In addition, many commercial plans with risk-based payment tiers depend on coding to assign risk status
  - Ensure that accurate coding is a priority within your system and/or practice
- Educate the clinical team on what information is essential to risk stratification and must be documented in discrete fields
  - Use discrete fields to capture such information as hospitalizations, ER visits, mental health conditions, social issues, and health perception

7. DEFINE THE CARE-MANAGEMENT APPROACH

It is important to review available and needed care-management resources as your risk-stratification strategy is developed (this topic is covered in more detail in the Getting Started Guide: Care Management). Risk-stratification budget and performance processes should include regular reviews to ensure that care-management resources are developed as needed.

RESOURCES:

+ Getting Started Guide: Care Management

Most systems or practices will start with a strategic risk-stratification plan that leverages current or near-future payment opportunities and that optimizes existing care-management resources.

- For example, if your system or practice has a shared-savings arrangement linked to a reduction in readmissions and is preparing for MIPS, you may want to start with assigning risk status to patients who have a hospital discharge
- Resources to accomplish this tracking and transition management may be funded by implementing transitions-of-care management services

Developing risk-stratification processes and care-management resources that align with revenue opportunities ensures the long-term financial viability of the program.

▪ Create a strategic plan to develop care-management and care-coordination resources

▪ Define the care-management model
  - Models to consider include:
    ▪ System or centrally-based resource: Telephonic resource; may include home visits
    ▪ Embedded or partially-embedded resources: Strong integration with primary care team

8. EDUCATE PHYSICIANS, PROVIDERS, AND STAFF

The education of physicians, providers, and staff is a vital component of any population health strategy. A primary clinical team's promotion of a program or strategy correlates strongly to patient engagement with that structure; this influence is particularly noteworthy with programs such as Medicare Chronic Care Management and commercial care-management programs. To ensure an educated and engaged care team that will promote a program and engage physicians, providers, and staff in its development:

- Develop a risk-stratification & care-management education program
- Evaluate the education process and clinical team's engagement

ROLES & RESPONSIBILITIES GRID

	System or Practice Leaders	IT and/or Clerical Staff	Physician/ Provider	Clinical Staff
Define the business case for risk stratification	X		X	
Define a goal for the risk-stratification process	X		X	X
Identify resources for risk stratification	X	X		
Educate physicians, providers, and staff on risk stratification and care management	X			
Implement the risk-stratification process	X	X	X	
Define care-management resources	X		X	X

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