

Healthcare AI, Clinical documentation integrity

Navigating outpatient best practices, part 1: Why clinical documentation integrity is more important than ever

[Mike Jones](#) | General Manager of Clinical Quality & Integrity

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The growing use of risk-adjusted reimbursement in outpatient settings means clinical documentation integrity must improve, or health systems risk leaving money on the table. In the first in our series on the significant changes in healthcare reimbursement, we take a bird's-eye view of the shifting landscape and see how AI can help you plot a path to clinical documentation excellence.

As healthcare moves from traditional fee-for-service to risk-adjusted reimbursement models, clinical documentation integrity is more important than ever. In this series of articles, we'll look at how shifting reimbursement models make it even more important for outpatient settings to [achieve clinical documentation excellence](#). First, let's explore how—and why—the reimbursement landscape is changing and the impact that's having on health systems and physicians.

The shift to risk-adjusted models

The peak of the Baby Boom was in the late 1950s, which means that we're now reaching peak Medicare eligibility. As the population ages and the average cost of healthcare increases, every payer, whether government or commercial, is focused on cost savings. That puts pressure on providers to give the highest quality of care at the lowest possible cost.

In 2022, nearly half (48%) of eligible Medicare beneficiaries—more than 28 million people—were enrolled in Medicare Advantage plans. Those plans introduce risk-adjusted reimbursement models, and as we've seen in the past, where the Centers for Medicare & Medicaid Services (CMS) goes, commercial payers will soon follow. Risk-adjusted reimbursement is the future, and it's happening right now.

The move to risk-adjusted models based on Hierarchical Condition Categories (HCCs) shifts more accountability onto providers to accurately document and manage risk in their patient populations. This puts more responsibility on the shoulders of physicians in outpatient settings to produce high-quality documentation that accurately reflects the complexity of each patient story.

HCCs demand clinical documentation integrity

Chronic conditions must be captured and recaptured using the correct HCC coding to increase Risk Adjustment Factor (RAF) scores and ensure providers receive appropriate reimbursement.

If providers don't produce high-quality documentation on how HCCs are monitored, evaluated, assessed, and treated (for each patient, every year), the reflected RAF scores for their patient populations will be low—and money is left on the table. Because CMS constantly evaluates and modifies HCCs, keeping current with documentation requirements is extremely difficult for physicians; they are experts in the practice of medicine, not HCC coding.

Capturing and recapturing HCCs is also vital for assessing individual patients' risk and identifying intervention opportunities. Patient volumes are increasing, and sifting through mountains of documentation to identify risk factors is a time-consuming task—unless you have AI-powered tools in place to offer advice, insight, and analysis.

Outpatient CAPD increases clinical documentation integrity

Many health systems now use [computer-assisted physician documentation \(CAPD\) tools](#) to provide guidance within the physician workflow. As physicians dictate their notes, these AI-powered tools monitor HCC management, identify risk factors and intervention opportunities, and help improve clinical documentation.

With AI doing the heavy lifting, it's much simpler for physicians to accurately suspect, capture, and recapture HCCs to improve RAF scores and reimbursement. Clinical decision support from AI also gives physicians a broader view of each patient's chronic conditions and comorbidities, helping them improve care quality and outcomes.

Next time

In the next article in this series, we'll dive deeper into [why HCCs matter so much in outpatient care settings](#). In the meantime, [explore our outpatient CAPD resources](#) to see how you can continue your journey to clinical documentation excellence.

Tags: [Physician documentation](#), [Risk adjustment factor](#), [Hierarchical condition categories](#), [Outpatient guidance](#)

More Information

Discover outpatient CAPD

See how AI-powered clinical decision support for outpatient settings helps physicians provide better care, create better documentation, and deliver better patient and business outcomes.

[Learn more](#)



About Mike Jones

Mike Jones is the GM of the Clinical Quality and Integrity LOB, focused on expanding and delivering outcomes and growth for Nuance's clients in these areas.

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