Total Cost of Care and Resource Use (TCOC) Risk Adjustment Specifications

TCOC Risk Adjustment Description

Risk adjustment is performed using the Johns Hopkins' Adjusted Clinical Groups (ACG) cell-based approach to support both resource use and risk adjusted utilization metrics. Attributed members are assigned a risk score based on diagnoses on claims from the performance measurement period as well as member age and gender. The Society of Actuaries' (SOA) *Accuracy of Claims-Based Risk Scoring Models* (published 2016 study) suggests other comparable risk groupers are available. If other risk adjusters are used, reliability and validity testing should be performed. The risk adjustment tool used must be consistent across the population measured.

Risk Adjustment Tool Utilized

- Johns Hopkins ACG® System produced by DST Health Solutions.
- HealthPartners implements the ACGs per the specifications as outlined in the implementation guide.

ACG Grouper Criteria

Dates of Service	12 months of incurred dates
Product	*Commercial Only* • Aligns with current application of ACG weights.
Diagnostic Certainty Criteria	*Lab/Radiology Excluded, Stringent Diagnostic Certainty OFF* • Up to five (5) diagnoses are included per claim, single occurrence is required to confirm diagnosis. • Diagnosis from lab and radiology claims are excluded per system specifications as diagnoses on these claims often, and perhaps even primarily, represent rule-out, suspected, or provisional codes.
Additional Newborn Criteria	*Birth Weight Cells ON* • Costs in cells with higher volume are predicted much more accurately when divided by low birth weight.
Pregnancy Status and Delivery Status	*ACG grouper assigned* • The member level pregnancy and delivery status codes are assigned by the ACG grouper
Months of Enrollment	*9 Month Minimum Requirement or Newborn* • Aligns with current application of ACG weights • Establishes credibility of assignment • Maximize infrastructure efficiencies
Truncation	*Truncate Claims at $125k* • $125k aligns with application of weights per HealthPartners use. • Does not sufficiently account for low outliers within ACG cells that may have negative influence on weight performance.

Weight Development

The grouper is available with national weights; however, if the user wants to calibrate the weights to their specific market, they would align the application criteria with the weight development criteria.

www.healthpartners.com/public/tcoc/toolkit