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**HCC Coding Update – Amputations & Ostomies**



# What is HCC coding?



# Hierarchical condition category (HCC) coding

- HCC coding is based on patient complexity.
- HCC codes represent costly chronic health conditions, as well as some severe acute conditions.
- Along with demographic factors (such as age and gender), insurance companies use HCC coding to assign patients a risk adjustment factor (RAF) score.
- Patients with high HCCs are expected to require intensive medical treatment, and clinicians that enroll these high-risk patients are reimbursed at higher rates than those with enrollees who have low HCCs.\*



# When should I include these HCC diagnoses?



Remember to include the appropriate HCC diagnosis codes whenever you are:

- A. Managing the specific problem during the visit
  - evaluating, ordering tests, prescribing medications, sending a referral, etc.
  
- B. Assessing the stability of the problem at the visit (even if it is being managed by an outside specialist)

-OR-

- C. The problem directly impacts your medical decision making
  - You want to prescribe steroids, but the patient is diabetic.
  - You want a contrast imaging study, but the patient has CKD.

# Coding for Amputations & Ostomies



## United States Amputation Statistics\*



There are nearly 2 million people living with limb loss in the United States.

Approximately 185,000 amputations occur in the United States each year.

Among those living with limb loss, the main causes are vascular disease (54%) – including diabetes and peripheral arterial disease – trauma (45%) and cancer (less than 2%).



African-Americans are up to four times more likely to have an amputation than white Americans.

\*<https://www.amputee-coalition.org/resources/limb-loss-statistics/>

# United States Ostomy Statistics



Approximately **1 in 500** Americans live with an ostomy, a surgically created opening in the body for the discharge of body waste.

Approximately 100,000 ostomy surgeries are performed annually in the United States.\*

The Stoma/Ostomy care products market in the U.S. is estimated at \$886.9 Million in 2021.

A sigmoid colostomy is the most common type of ostomy.

\*<https://www.ostomy.org>



As far as the insurance payors are concerned, if amputations and ostomies are not coded for each year, then these chronic medical conditions are not significantly impacting the patient's health and therefore are not given additional risk adjustment value.



So, make sure that all amputations and ostomies are coded for annually as part of the evaluation of the health condition(s) for which they are associated (diabetes, Crohn's Disease, etc.)



# HCC Coding for Amputations

For amputation status codes, specify the site and laterality [Z89.\*\*]:

- Acquired absence of thumb and other finger(s) [Z89.0]
- Acquired absence of hand and wrist [Z89.1]
- Acquired absence of upper limb above wrist [Z89.2]
- Acquired absence of toe(s), foot, and ankle [Z89.4]
- Acquired absence of leg below knee [Z89.5]
- Acquired absence of limb, unspecified [Z89.9]

# HCC Coding for Ostomies

Consider using the following diagnoses:

- Colostomy Status [Z93.3]
- Cystostomy Status [Z93.5\*]
- Ileostomy Status [Z93.2]
- Gastrostomy Status [Z93.1]
- Tracheostomy Status [Z93.0]



Using the most specific diagnosis when coding for your visits can have a significant impact on reimbursement.



# Example

- The patient is a 66-year-old male with a history of poorly controlled DM2 and a BMI of 38.1 who is seeing you in the office for routine follow-up. He has a history of PVD and had a partial left foot amputation 2 years ago. You review his recent lab studies and decide to increase his diabetes medication.

Scenario 1	Scenario 2
Type 2 Diabetes w/o complications (E11.9)	Type 2 Diabetes with peripheral angiopathy (E11.51)
	History of left foot amputation (Z89.432)
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = \$4,000/year	Approx Budget = <b>\$16,000/year</b>

# Example

- A 65-year-old male is seeing you in the office for follow-up of his Crohn's Disease. His BMI is 41. He has a history of a previous colectomy several years ago and has a colostomy in place. He is taking his medications as directed and has no specific complaints.

Scenario 1	Scenario 2
Crohn's disease without complications (K50.90)	Crohn's disease of large intestine with unspecified complications (K50.119)
	Colostomy Status [Z93.3]
Obesity, unspecified (E66.0)	Morbid obesity (E66.01)
Approx Budget = \$5,900/year	Approx Budget = \$13,400/year

# Rules of Thumb

- Code more specifically when possible
- Code for everything addressed and documented
  - **Include diseases that impacted decision making**
    - CKD impacting medication choices
    - DM impacting whether to prescribe steroids
- Code chronic conditions yearly\*

\*Although chronic conditions are ongoing, providers must document a patient's chronic condition and recapture the ICD-10 code annually to maintain the patient's HCC risk score. This includes amputations and ostomies.

