



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

### TCOC Risk Adjustment Description

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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' *Comparative Analysis of Claims-Based Tools for Health Risk Assessment* ([published 2007 study](#)) suggests any commercially available risk adjustment tool could be effectively employed in the Total Cost of Care and Resource Use measure.

### Risk Adjustment Tool Utilized

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- 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

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Dates of Service	12 months of incurred dates
Product	<i>Commercial Only</i> <ul style="list-style-type: none"> <li>• Aligns with current application of ACG weights.</li> </ul>
Diagnostic Certainty Criteria	<i>Lab/Radiology Excluded, Stringent Diagnostic Certainty OFF</i> <ul style="list-style-type: none"> <li>• Up to five (5) diagnoses are included per claim, single occurrence is required to confirm diagnosis.</li> <li>• 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.</li> </ul>
Additional Newborn Criteria	<i>Birth Weight Cells ON</i> <ul style="list-style-type: none"> <li>• Costs in cells with higher volume are predicted much more accurately when divided by low birth weight.</li> </ul>
Pregnancy Status and Delivery Status	<i>ACG grouper assigned</i> <ul style="list-style-type: none"> <li>• The member level pregnancy and delivery status codes are assigned by the ACG grouper</li> </ul>
Months of Enrollment	<i>9 Month Minimum Requirement or Newborn</i> <ul style="list-style-type: none"> <li>• Aligns with current application of ACG weights</li> <li>• Establishes credibility of assignment</li> <li>• Maximize infrastructure efficiencies</li> </ul>
Truncation	<i>Truncate Claims at \$100k</i> <ul style="list-style-type: none"> <li>• \$100k aligns with application of weights per HealthPartners use.</li> <li>• Does not sufficiently account for low outliers within ACG cells that may have negative influence on weight performance.</li> </ul>

### Weight Development

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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](http://www.healthpartners.com/public/tcoc/toolkit)

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