

Connecting the Dots: Bridging Clinical Documentation and Billing for Operational Excellence

September 24, 2025

VCHA 2025 CFO Workgroup

Aledade and Forvis Mazars

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Beyond the PPS: Investing in the Medicare Value-Based Care Programs, *Peggy Evans*

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Connecting the Dots: Bridging Clinical Documentation and Billing, *Scott Gold and Nicole Moscatelli*



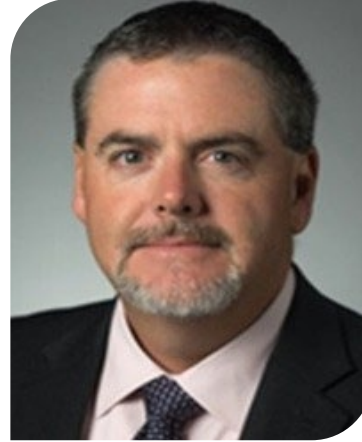
Speakers



Peggy Evans
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Beyond the PPS: Investing in the Medicare Value -Based Care Programs

Peggy Evans, VP CHC Performance

September 24, 2025

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Current Healthcare Environment



US Health care systems rewards disease, not prevention

\$4.5T
Annual
Healthcare
Spend



\$1.1T
Annual
Healthcare
Waste



*How can we solve
this at scale?*

Aledade's public benefit purpose is to deliver better health, better care and lower costs, creating a healthcare system that is good for patients, good for practices and good for society



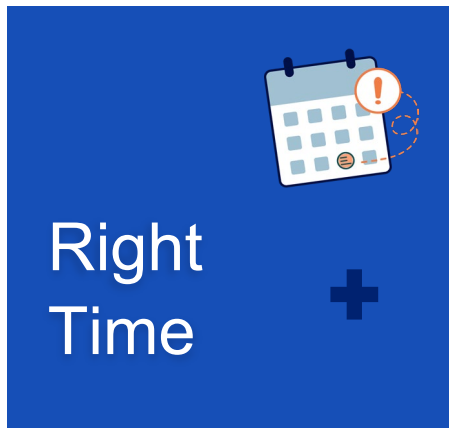
One Big Beautiful Bill Act: Impacts to Medicaid & CHCs

- The OBBBA (HR-1) mandates that each state implement Medicaid work requirements by Jan 2027 unless a waiver is granted by CMS.
- This bill will **likely increase uncompensated care and reduce Medicaid funding** for CHCs.*
- CHCs likely looking for stable and additional sources of funding for the future. The traditional Medicare Shared Savings Program might offer support.

*<https://nashp.org/what-health-care-provisions-of-the-one-big-beautiful-bill-act-mean-for-states/>



Value-based care focuses on...

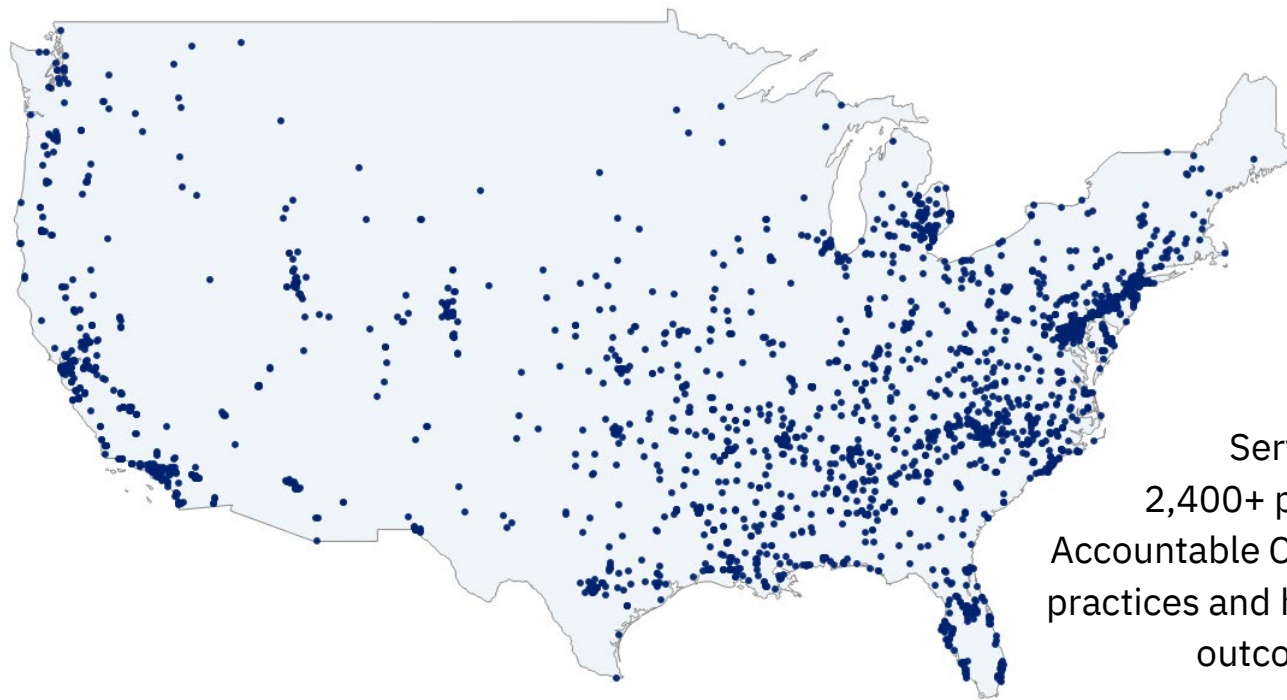


... and promotes patients being as healthy as possible while managing total costs of care, aligning with the CHC mission

Who Is Aledade & What Do we Do?



Aledade is the largest independent primary care network in the country, focused exclusively on value-based care.



~3M
patients

2.4K +
primary care
organizations

Serving ~3 million patients across 2,400+ primary care organizations, our Accountable Care Organizations (ACOs) help practices and health centers improve patient outcomes and generate sustainable revenue.



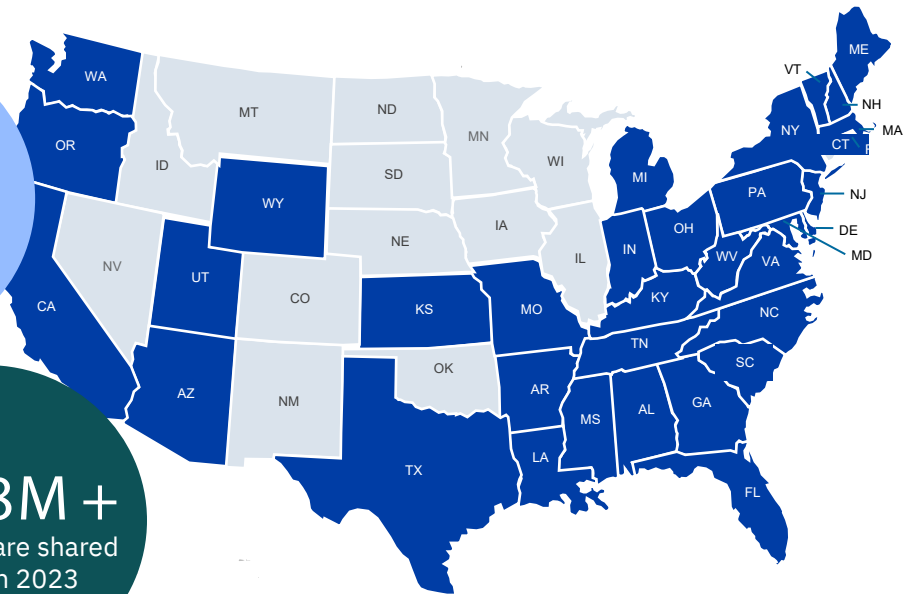
Aledade's ACO network includes 200+ CHCs spanning 37 states

\$400K +

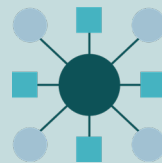
Average MSSP shared savings per CHC in 2023

\$54.8M +

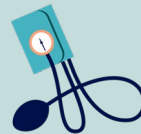
Total Medicare shared savings in 2023



Leaders in Community Health



9 regional CHC Only ACOs



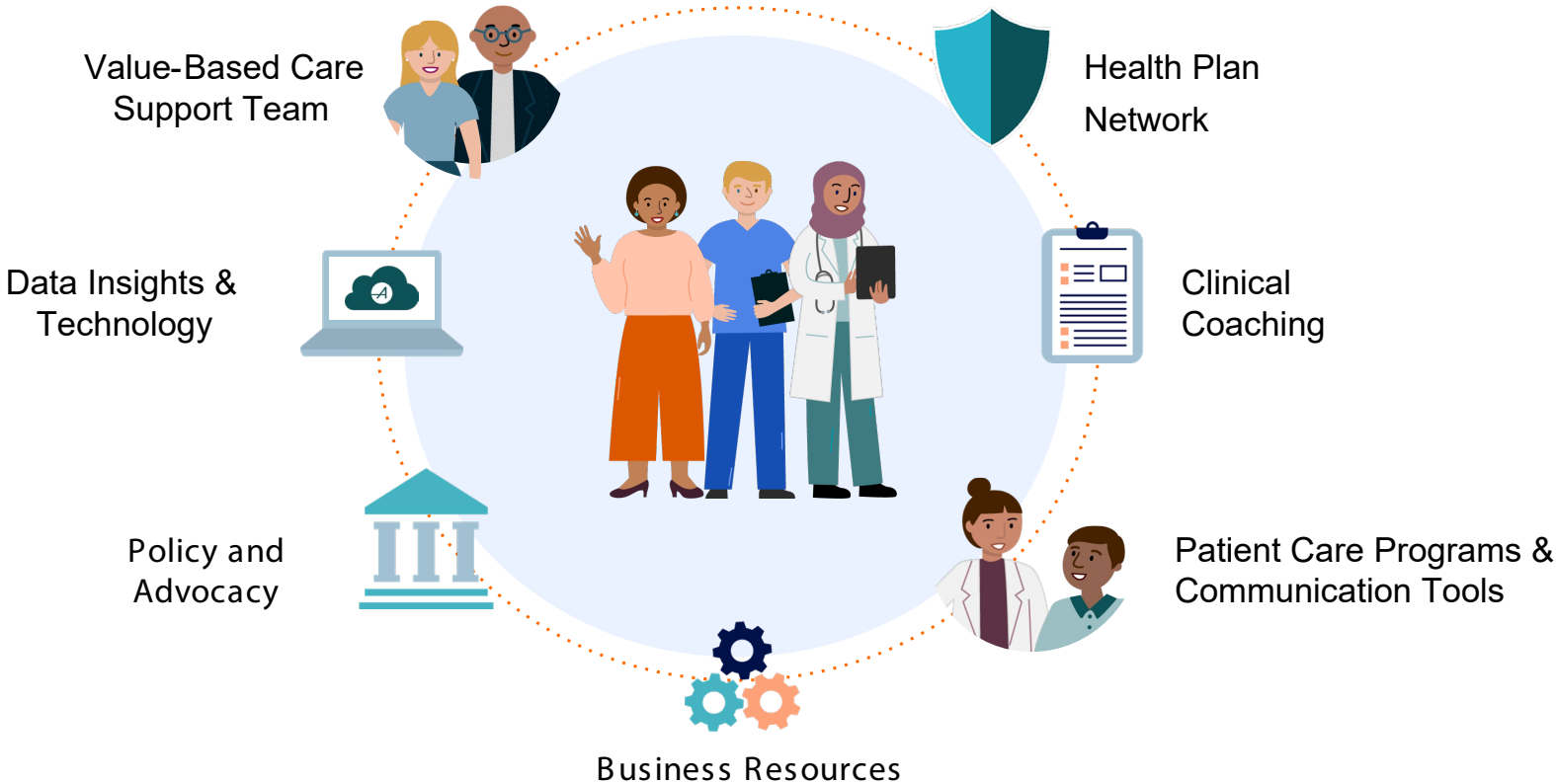
In 2023, all of our CHC-only ACOs achieved shared savings.



99% of Aledade's member CHCs earned shared savings*

Investing in community-based primary care

Aledade invests significantly in information and resources to help primary care practices and health centers succeed.



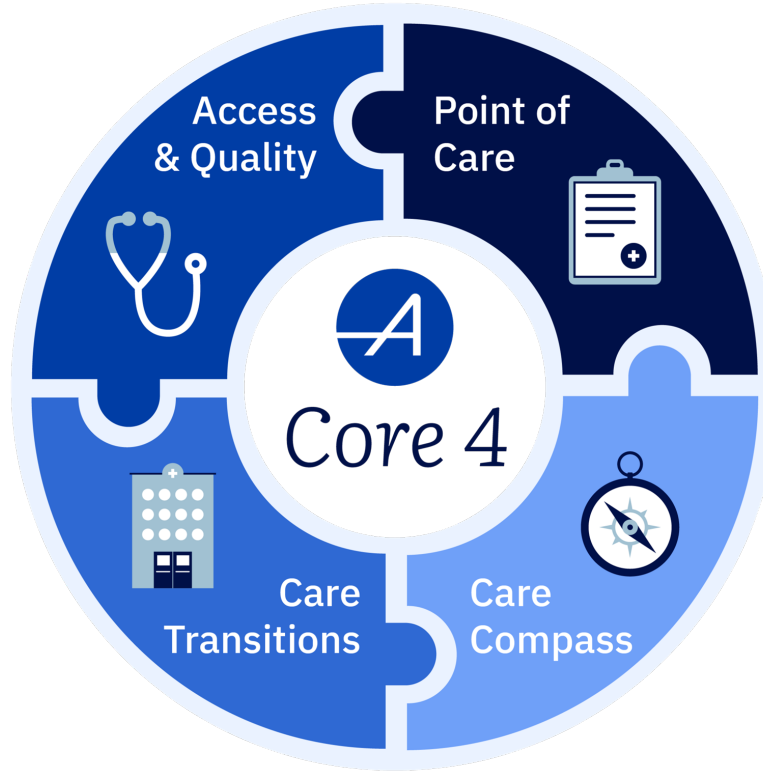
The Aledade Core 4 4 provides a roadmap for your health center's success in value-based care.

Access & Quality

The Aledade App helps practices understand when their patients need to be seen, which services they need, and how to best manage care gap closure, wellness and prevention services.

Care Transitions

Aledade has integrated timely data for patients recently in the emergency room, hospital or skilled nursing facility, with easy-to-use post-discharge workflows to embrace vulnerable patients after an escalation in care.



Point of Care

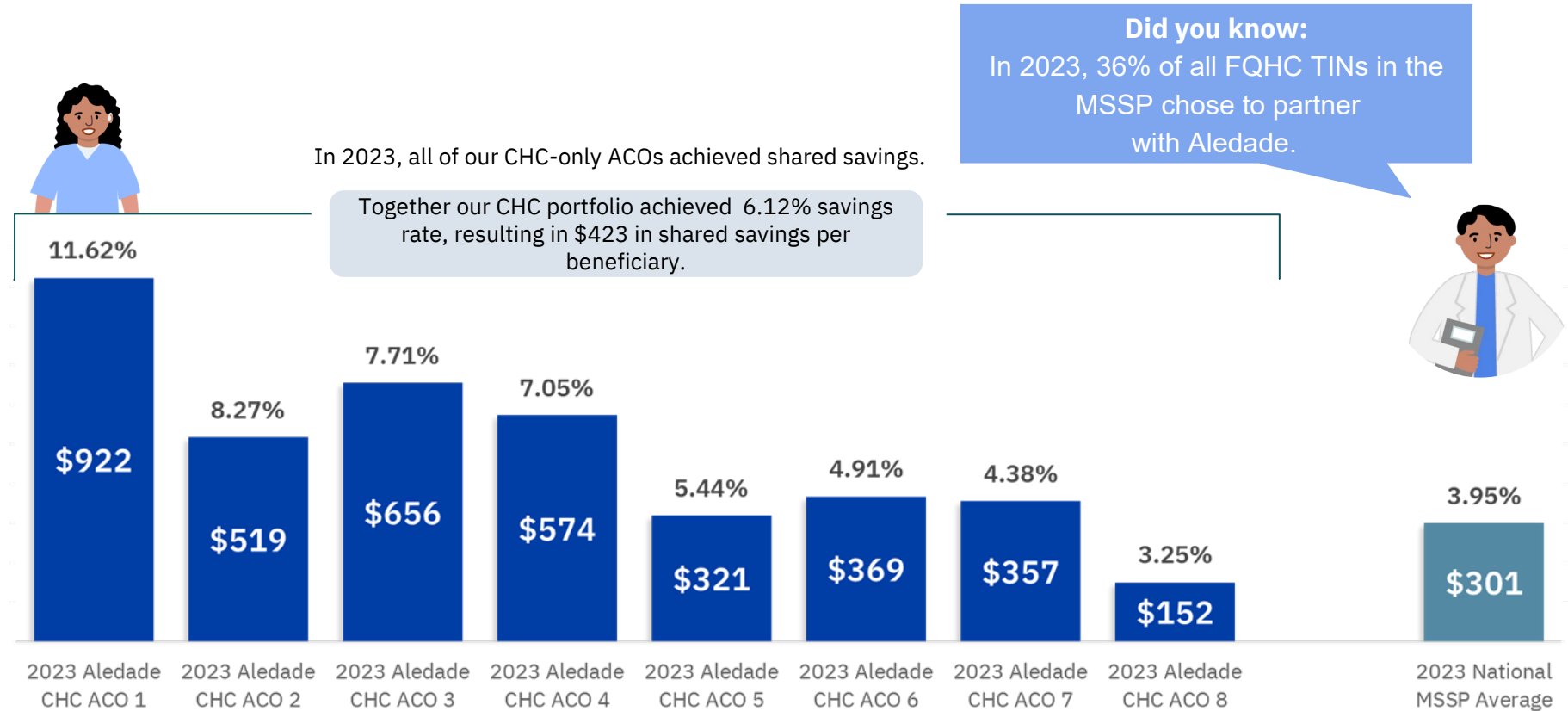
Enhance today's visits through curated information, including potential diagnoses for clinical management, prevention service and utilization data, and targeted clinical insights.

Care Compass

Connect patients to a variety of clinical services tailored to their needs, such as assistance with medications and specialized care management.



Aledade's CHC ACO Performance

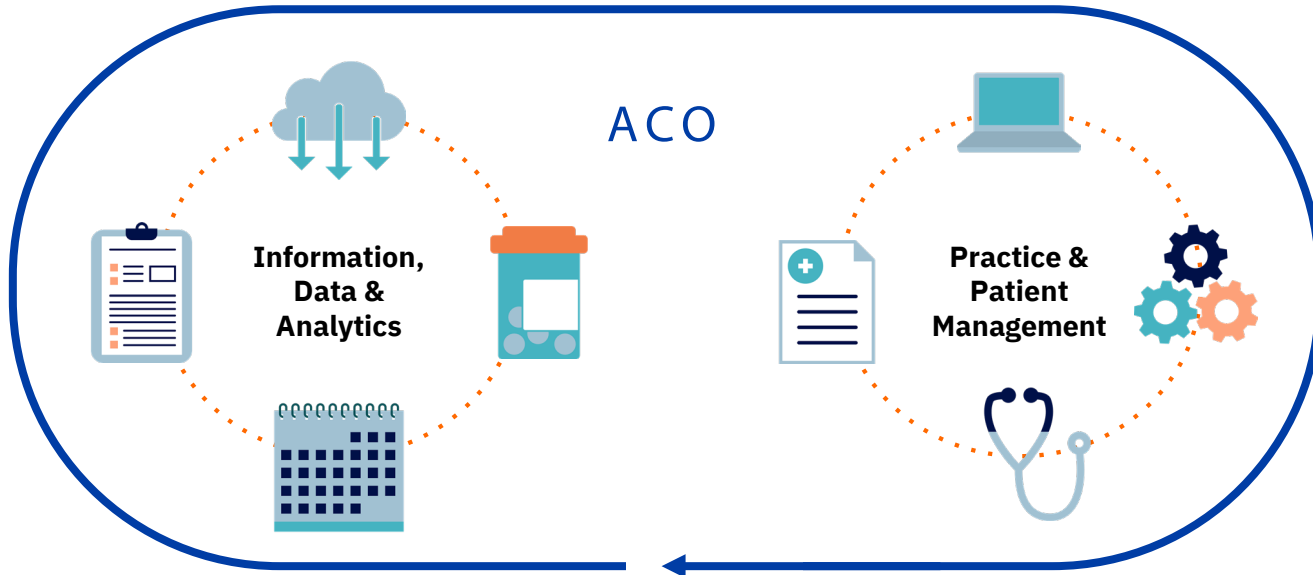


Source: 2021-2023 CMS MSSP Performance Year Financial and Quality Results Public Use File.
*MSSP ACO performance based on the 2023 CMS ACO Public Use File, available at data.cms.gov. Shared savings revenue not guaranteed. Results may vary. The individual performance of non-Aledade ACOs may be better or worse than the average



Accurate and Specific Diagnosis Documentation has an important role in VBC

Accurate diagnosing, documentation, and coding are vital for effective healthcare delivery. They ensure proper patient care, billing, and reimbursement, while also supporting compliance with laws and reducing fraud, waste, and abuse.



Dx documentation communicates patients' clinical needs to other clinicians and payers



- Patient complexity is communicated using ICD -10 diagnosis codes on submitted claims
- Documentation improves coordination and continuity of care and helps to stratify patient needs
- Payers expect higher costs for patients with more complexity, and lower costs for relatively healthy patients
- Patients' documented ICD-10s should reflect their care needs, leading to appropriate value-based care benchmarks



DO *for patients*
for practices **MORE**
GOOD *for society*

www.aledade.com

VCHA -The Power of Precision: How Accurate Diagnosis Documentation Drives Risk Adjustment & Financial Health

Angela Hale, MBA, CPC, CRC, CRE
September 24, 2025

Disclaimer

This information is for general information purposes only. We strive to ensure the accuracy of the information provided based on the data available to Aledade at the time of dissemination. However, this does not replace or serve as a substitute to the information contained in the Medicare regulations, payer rules, the CPT code book, or the ICD-10 CM code book. Further, the documentation and billing rules change frequently. Each provider remains responsible for staying up-to-date on all relevant documentation and billing rules and complying with each payer's billing requirements.

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Risk Adjustment 101: A Guide to Clinical Accuracy and Financial Outcomes



What is Risk Adjustment?

Methodology by which a payer uses demographic and diagnostic data to predict the healthcare costs a population of individuals should incur, actuarially.

Hierarchical condition categories (HCC)

Groupings of clinically similar diagnoses in each risk-adjustment model. Conditions are categorized hierarchically and the highest severity takes precedence over other conditions in a hierarchy.

Risk-adjustment factor (RAF)

Numerical value assigned to each beneficiary based on his or her disease burden, as well as demographic factors.

ICD-10-CM

ICD-10-CM is a medical coding system used for diagnosing and classifying diseases and health conditions.

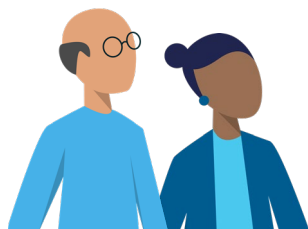
The 2024 CMS-HCC Model (V28) classifies the approximately 74,000 ICD-10-CM codes into 266 HCCs, 115 of which are included for payment in the 2024 CMS-HCC model.



Calculation of Risk Scores

Predict future healthcare costs based on a patient's condition to guide resource allocation and care management.

Calculation of Risk Scores: Incorporates patient demographic factors, historical healthcare usage, and clinical diagnoses to calculate a comprehensive risk score.



Patient
Demographic
Factors



Health History &
Conditions



Risk
Score

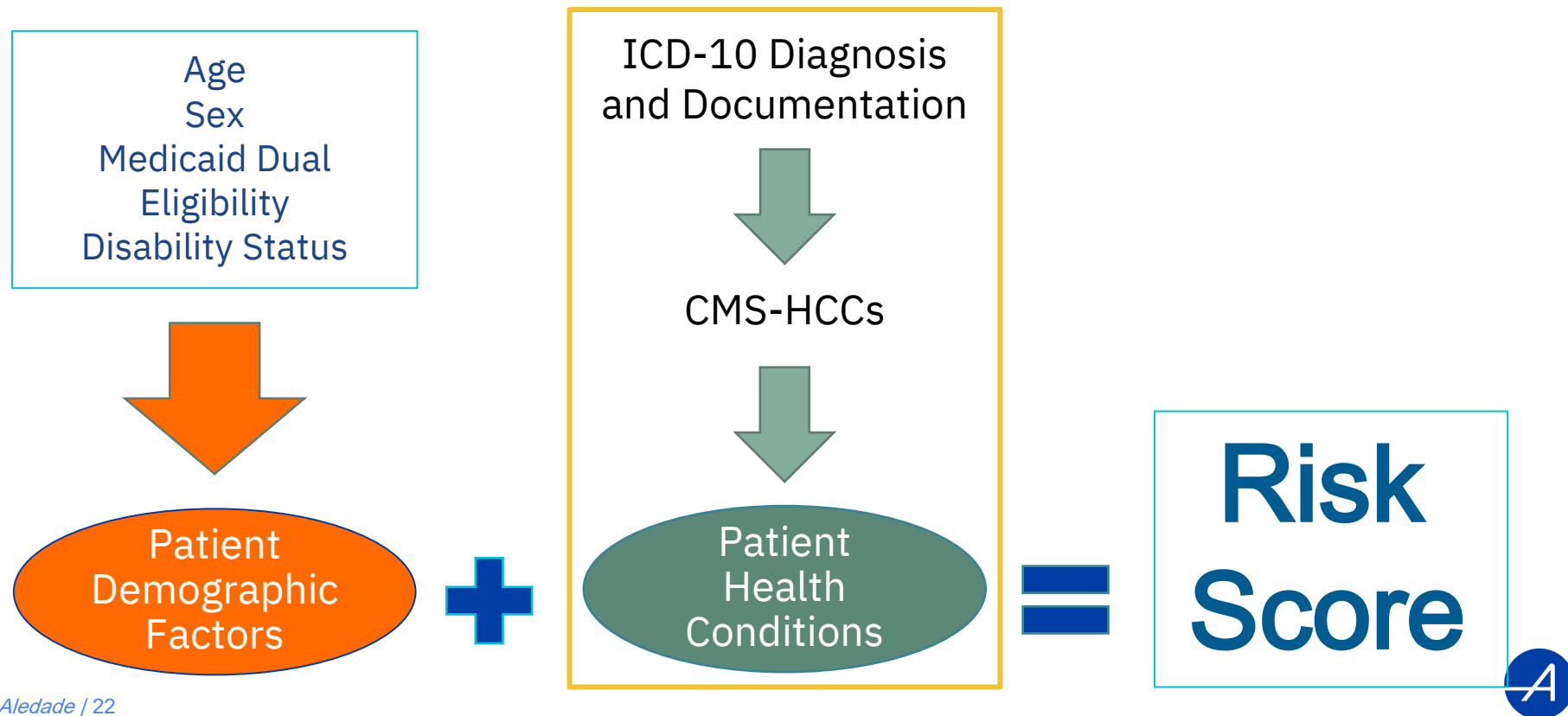
Accurate risk scoring ensures appropriate care delivery and financial planning, crucial for achieving VBC objectives such as reducing costs and improving patient care.

This document is for educational purposes only and does not constitute billing, coding or legal advice. Coding and billing requirements vary by payer, and it is the responsibility of each clinician and practice to verify the appropriate billing policies with their contracted payers. Alidade does not assume responsibility for any billing or coding issues related to this information, including but not limited to denied claims and reimbursement disputes. Data is current as of April 2025 and is subject to change. For the most up-to-date guidance, please refer to official payer policies, Medicare Administrative Contractors (MACs) and CMS resources.



How does risk stratification actually work?

A patient's Risk Score is calculated to anticipate future cost of care.



Why Risk Matters

Basics of Fee for Service

Number of services provided
X Fees charged per service

Gross profit

- Incentivizes volume and throughput of delivered services OR increasing cost per service
- No incentive to increase quality of care or outcomes

Basics of Value-Based Care

(Expected total cost of care
- Actual total cost of care)
X Quality modifier

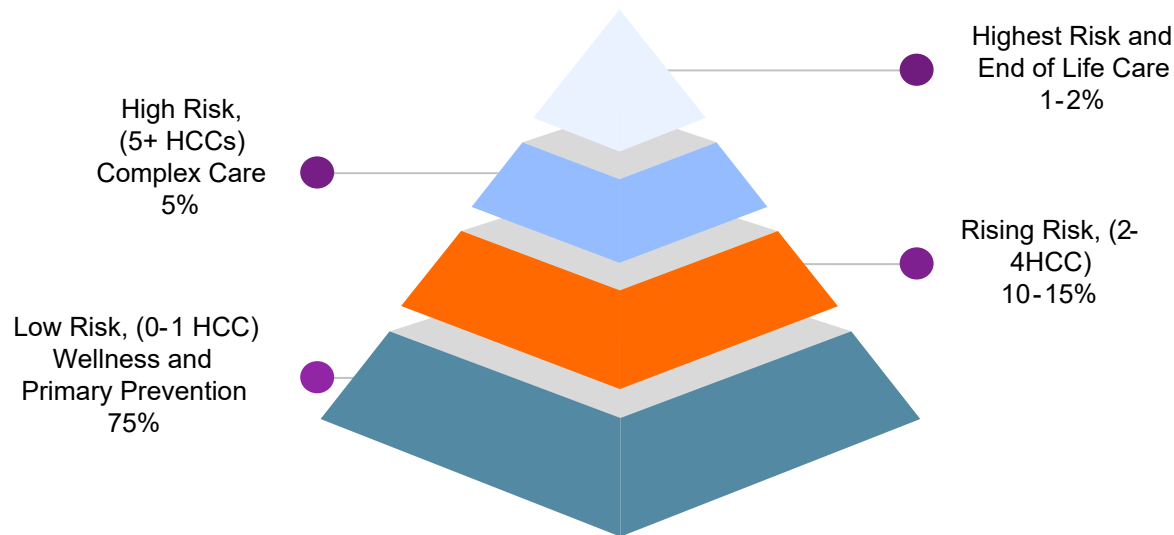
Risk Adjustment Factor (RAF) x Normalized cost

STARS for MA, other measures for MSSP

Gross profit

Risk Stratification is critical to clinical success

Programmatic Purpose: Facilitate accurate and specific diagnosis assignment through appropriate documentation and coding of all active conditions and use that data to inform clinical decision making and the allocation of scarce resources.



Population Health Management

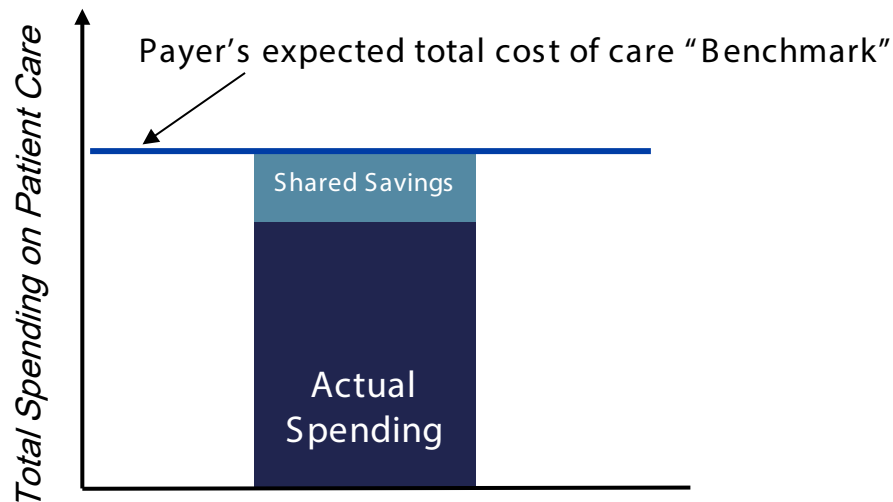
Risk stratification allows us to give the **right care to the right patient at the right time in an equitable fashion** that meets their individual health needs

The Formula for Value Based Care Success



All ACO Payers requires that we set our “benchmark” annually

By accurately, and completely describing our patients’ relative health and vulnerability via appropriate ICD -10 diagnosis coding (documented each year between January 1 and December 31).

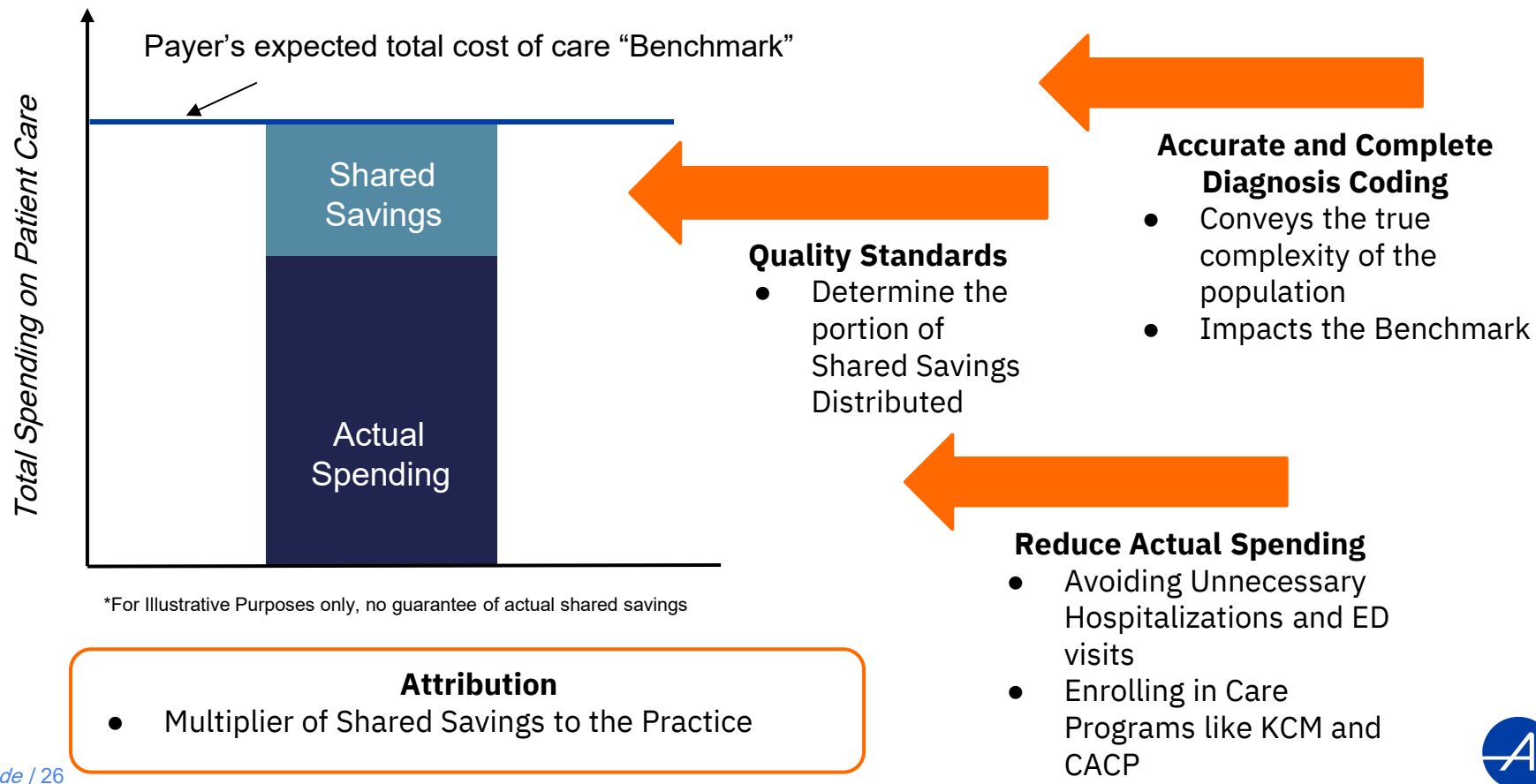


*For Illustrative Purposes only, no guarantee of actual shared savings

For Medicare Patients, diagnosis coding done this year impacts the risk score (and shared savings) *the following year*. In other contracts (such as commercial) diagnosis coding done this year impacts the risk score for *this year*. Focusing on complete and accurate diagnosis documentation this year will impact your performance no matter what insurance the patient has.



The Formula for Value Based Care Success



Why Diagnosis Accuracy Matters



Documenting and coding the full patient story



Why is this important?

- Improves continuity of patient care.
- Facilitates communication between healthcare providers.
- Minimizes the risk of medication errors, redundant tests, or missed diagnoses.
- Communicates your patients' complexity to the payers.
- Ensures appropriate reimbursement.



Calculating the Benchmark: a tale of two women



Ms. W is a 76-year-old retired teacher.

She is an avid runner and coaches her 6-year-old granddaughter's soccer team. She has been a vegetarian since she turned 40.

She has familial hypercholesterolemia and a history of breast cancer, for which she has completed treatment. Her only current medication is a statin, which she takes regularly using a pill-reminder app on her smartphone.



Ms. V is a 76-year-old retired teacher.

She lives alone and seldom sees out of state family. She does not exercise on a regular basis and is a current smoker.

She has COPD, chronic diastolic heart failure and CKD Stage 4. She is prescribed seven medications, which she sometimes has trouble taking. She was seen in the ED several times last year, and she was admitted to the hospital five times.


What is the impact of Accurate and Complete Diagnosis Coding (ACDC)?



| Ms. W: All Conditions Documented | |
|----------------------------------|---------|
| 76 year-old female | 0.465 |
| Familial Hyper-cholesterolemia | - |
| History of Breast Cancer | - |
| Patient Total RAF | 0.465 |
| Yearly Reserve for Care | \$4,650 |



What is the impact of Accurate and Complete Diagnosis Coding?



| Ms. V: No Conditions Documented (Demographics Only) | | Ms. V: Some Conditions Documented | | Ms. V: All Conditions Documented | |
|--|---------|------------------------------------|----------|---|----------|
| 76 year-old female | 0.465 | 76 year-old female | 0.465 | 76 year-old female | 0.465 |
| Chronic Diastolic CHF, not coded | - | Chronic Diastolic CHF | 0.360 | Chronic Diastolic CHF | 0.360 |
| Chronic Obstructive Pulmonary Disorder (COPD), not coded | - | COPD | 0.319 | COPD | 0.319 |
| Kidney Disease, not coded | - | Kidney Disease, unspecified | - | Kidney Disease, stage 4 | 0.514 |
| No interaction | - | + Disease Interaction (CHF + COPD) | 0.078 | + 2 Disease Interactions (CHF + COPD; CHF + Kidney Disease) | 0.254 |
| Patient Total RAF | 0.465 | Patient Total RAF | 1.222 | Patient Total RAF | 1.912 |
| Yearly Reserve for Care | \$4,650 | Yearly Reserve for Care | \$12,220 | Yearly Reserve for Care | \$19,120 |

Difference of **>\$14,000** in Yearly Reserve for Care

Missed diagnoses are missed care opportunities

57,191 w/ **Hypoxic Respiratory Failure...**

Only 57% with **COPD** diagnosed

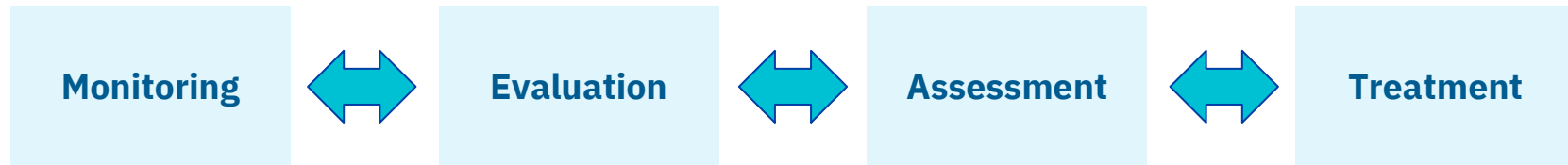
5,442 **Toe Amputations...**
Vascular comp. diagnosis

Only 49% had a **DM w/**

77,257 **Acute Myocardial Infarctions...**

Only 25% had **Vascular Disease** diagnosed

**Accurate and complete diagnosis documentation enables care
and prevention - across visits, teams, and systems**



Paint the picture of the patient using ICD -10 codes...

Patient is a 70 year-old female who presents for routine follow up for multiple medical conditions. Current medications include entresto 49mg/51mg, furosemide 20 mg, sertraline 25 mg, jardiance 25 mg, rosuvastatin 5 mg.



DM uncomplicated: E11.9
Dyspnea: R06.0
Weight Gain: R63.5
Dysthymia: F34.1



DM uncomplicated: E11.9
CHF, unspecified: I50.9
CKD Stage 3: N18.30
MDD Recurrent, Mild: F33.0



Chronic Systolic CHF (HFrEF):
I50.22
Morbid Obesity: E66.01
BMI 36: Z68.36
DM with CKD: E11.22
CKD Stage 4: N18.4
MDD, Recurrent, Moderate: F33.1

Questions?

Any inquiries can be directed to cdi-education-team@aledade.com.

Thank you!