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Your Secret to Success: External Coding Audits



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With You Today

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Julie draws upon her extensive experience acquired while working in executive-level positions at academic medical centers, integrated health systems, children's hospitals and with hospital-owned medical groups to help enhance provider financial performance, resulting in improved reimbursement and increased physician compensation while maintaining compliant practices.



Today's Talking Points



- Compliance overview
- Types of audits and various approaches
- Introducing audits to your workflow and compliance plan
- Utilizing audits as a strategic tool

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Compliance Overview



Coding vs. Billing

Coding and billing are two separate tasks with a shared goal

Coding is the translation of narrative clinical documents into separate languages comprised of numerical and alphanumerical codes based on standard guidelines

Billing is the act of assigning codes on claim forms based on payer-specific requirements

- Sometimes the codes assigned in the coding process are the same as what's applied on the claim form in the billing process

Coding vs. Billing - Example

- Bilateral steroid injection
 - CPT® code 20610: Arthrocentesis, aspiration and/or injection, major joint or bursa (e.g., shoulder, hip, knee, subacromial bursa); without ultrasound guidance
 - May be reported:
 - Payer 1: 20610-50
 - Payer 2: 20610-RT, 20610-LT
 - Payer 3: 20610, 20610-59

The code doesn't change, but the billing does based on payer guidelines

Coding vs. Billing - Example

- Inpatient consultation
 - E/M code 99253: Detailed history, detailed physical examination, moderate medical decision making
 - May be reported
 - Payer 1: 99253
 - Payer 2: 99221
 - Payer 3: 99233

The code may change for the same service dependent on payer guidelines

Facility vs. Professional

Facility

- Paid based on why they do something
- Driven by ICD-10 codes
- All provider documentation is used for code assignment
- Coding performed at the time a medical record is completed

Professional

- Paid based on what was done
- CPT drives reimbursement
- Each date of service is billed separately
- Only provider documentation is used for code assignment
- Coding is often completed based on superbills or encounter forms

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Types of Audits



Internal Monitoring and Auditing

- Conducted by staff of the organization
- Structured to meet the needs of the facility
- Driven by the company's compliance plan
- Identifies errors in documentation, coding, billing and processes
- Easily used to identify trends
- Goal is to improve quality in the organization

External Monitoring and Auditing

- Conducted by an outside entity
- May be voluntary or mandated
- Supports internal compliance program
- Leverages perspective of a variety of organizations
- Eases burden to internal staff
- Recommendations based off industry best practice
- Goal is to improve quality in the organization

Types of External Audits

Voluntary

- Part of compliance plan
- Performed regularly
- Targeted or random
- Completed by external reviewer

Involuntary

- Payer audits
- Department of justice
- Office of the inspector general

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Compliance Plans



Compliance Plans: Voluntary

- Part of normal work/process
- OIG elements
 - Policies and procedures
 - Designation of CCO
 - Training program
 - Process to receive complaints
 - System to respond to allegations
 - Audits/evaluation techniques
 - Investigation and remediation of identified systemic problems
- Coding/billing:
 - Audit
 - Identify
 - Educate
 - Monitor

Voluntary vs. Involuntary Compliance Plans

Voluntary

- You choose the number of claims to audit
- You choose the auditor
- You choose the frequency
- You decide the next steps and enforcement

Involuntary (IA/CIA)

- OIG chooses the number of claims to audit
- OIG requires you to hire an IRO
- OIG decides the frequency

Corporate Integrity Agreements

- Obligations agreed to as part of a civil settlement
- Utilized by DHHS, OIG and DOJ to fight healthcare fraud, waste and abuse
- Outline requirements that likely include the establishment of a compliance program and the utilization of an Independent Review Organization

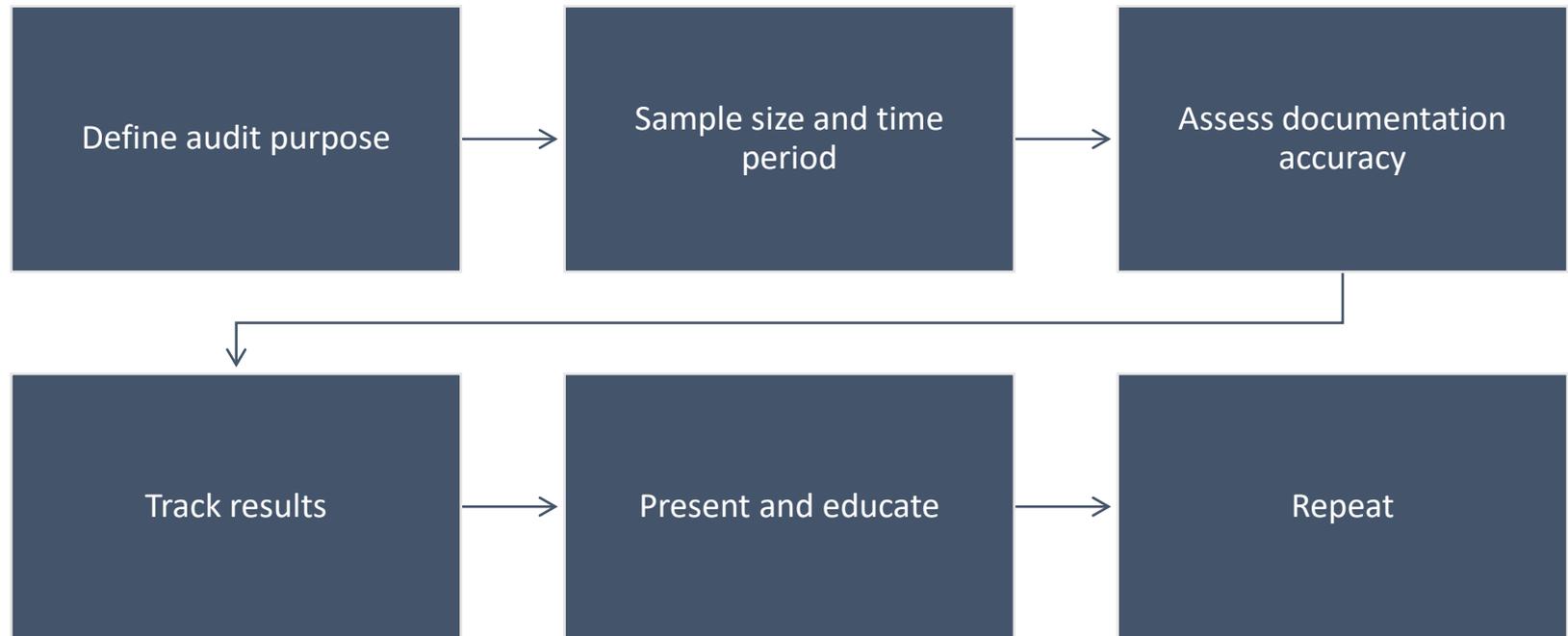
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Implementing Your Audit Process



Steps to Performing an Audit

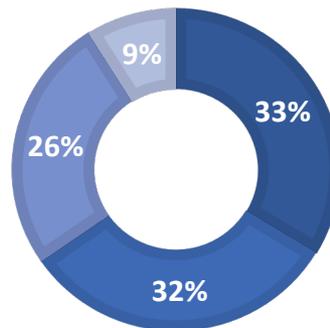


Coding Audit Frequency

- The frequency of coding audits depends on your organization's needs:
 - Types of services performed
 - New providers or coders
 - Previously identified issues

AUDIT FREQUENCY

■ Quarterly ■ Annually ■ At least monthly ■ Biannually



Source: MGMA STAT poll April 20, 2022

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Utilizing Audits as a Strategic Tool



Understanding the Results

- Identify appropriate benchmarks
- Align the goals of the audit with your organization's strategy
- Determine KPIs or elements to be audited
- KPIs should correlate with the goals

Education

- Identify appropriate documentation and coding resources
- Communicate consistently
- Allow for rebuttals
- Educate based on specialty, location or other commonality
- Determine when 1-on-1 education is appropriate vs. group education
- Leverage education time to review upcoming changes

Continuous Improvement

- Follow-up on issues identified
- Improve processes based on results
- Monitor OIG workplan
- Be consistent

Why Have External Audits



- Industry-wide perspective
- Specialty-specific knowledge
- Targeted reviews of high-risk areas
- Deeper bench of auditors
- Support for payer or government audits

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Questions?



Revenue Cycle



Contact Us

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