



E-BRIEF SERIES



Who's Auditing Your Coders?

How External Audits Can Empower Coders & Ensure Accurate Claims



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Introduction

The year 2020 was unequivocally the year of healthcare changes. We had multiple ICD 10-CM, AMA and payer coding guideline changes associated with the COVID-19 pandemic. We had new AMA and CMS guidelines for the 2021 Evaluation and Management Office Visit codes. And let's not forget the delayed release of the Medicare Physician Fee Schedule final rule followed by the Stimulus Bill, which overturned some of the new codes outlined in the final rule. And to top it off, the Department of Justice reported that it charged more than 300 individuals for involvement in healthcare fraud, waste, and abuse schemes resulting in over \$6 billion false and fraudulent claims – the largest enforcement action in the department's history.

With these recent events and changes in healthcare delivery, coding accuracy is more critical than ever. Having an active, robust audit compliance program is absolutely essential. Conducting audits on your coders is an important part of ensuring quality and regulatory compliance for hospitals and medical practices. External audits offer objective visibility into departmental operations, identify gaps in coding processes, and uncover deficiencies and coding errors that an internal audit program may miss.

We have a saying at our office: “quality trumps quantity.” While both quality and maintaining department production standards are important, putting quantity above quality will ultimately result in errors, denials, or worse. All of which takes more time to resolve than if it had been coded correctly from the start.

The only way to ensure quality is to perform an audit. As beneficial as an external audit may be, no one likes to be put under the microscope. Having an external audit done can bring anxiety to any coder. The thought of someone scrutinizing their coding quality while they strive for perfection and high productivity can bring on feelings of worry, agitation, or even fatigue. Industry best practices suggest that outside reviews strengthen future internal audits. And when done with the right approach, increased frequency and sample size, and collaborative rebuttal process, they can strengthen the skills and confidence of your coders.



Approach

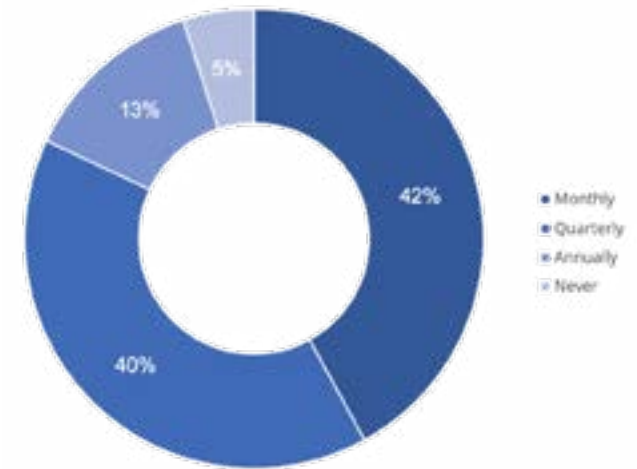
Coders and auditors should view an audit as a time to learn and strengthen both their skill sets. Neither the coder nor the auditor know everything when it comes to the complexities each unique medical specialty brings. As a result, there will always be differing opinions and interpretations. Both must approach the audit process with an open mind. Bringing physicians and other providers into the conversation can also deepen the understanding to a new level. This approach of learning together will build mutual respect and trust, resulting in continual improvement.



Frequency & Size

Both the Office of Inspector General (OIG) and Centers for Medicare and Medicaid Services (CMS) recommend that all physicians and non-physician providers have their coding reviewed by an outside independent party with expertise in that clinical specialty. The purpose of these reviews is to obtain an unbiased evaluation to ensure coding accuracy. So why wouldn't coders fall into this same recommendation? The question really isn't, "Why audit your coders?" but rather, "How often and how many dates of service should be reviewed?"

According to Healthicity's Annual Compliance & Auditing Benchmark Report, 82% of organizations conduct monthly or quarterly reviews on their coders. The report goes on to state that 21% of these organizations select a sample size of 25 or more patient visits for each coder. Another 41% select a sample size of 10-15 patient visits. This suggests that the majority of organizations understand the value of performing audits on their coders at a higher frequency and larger sample size than physician compliance audits. By performing frequent reviews with larger sample sizes, organizations will significantly lower their risk of ineffectiveness, reduce potential over/under payments, lost revenue, and prevent non-compliance issues from recurring.





Collaborative Rebuttals

A coder audit should be a learning opportunity rather than a punitive process. As such, the coder's voice must be the major player in the results discussion. It is crucial to allow adequate time for the coder to review their results and be given an opportunity to defend their original coding decisions. Coders should want to be audited. With the right approach, the audit will empower your coder to have healthy productive conversations with other coders, auditors and physicians. It will contribute to not only the coder's growth and success but also turn them into rock star coders.

There is no doubt that coder audits can be stressful. However, with the right approach, increased frequency and sample size along with a collaborative rebuttal process, these audits will improve the overall quality, production, and success of your coders. The bottom line: performing external audits on your coders will give your organization peace of mind knowing your claims are accurate, will hold up to payer scrutiny, and most importantly ensure proper payment.

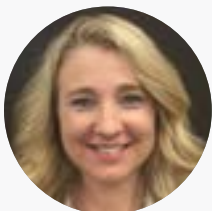
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AUTHOR BIO

Stephani Scott, RHIT, CPC, has over 25 years' experience in the healthcare industry, working closely with physicians and staff in health information management. She has worked in a variety of settings including hospital, long-term care, large multi-specialty physician practice, and electronic health record software design and development. Scott has extensive experience in inpatient and outpatient auditing and coding compliance and is responsible for overall project performance and client satisfaction. Scott was also a part-owner of a consulting company for many years, providing services in best practices for physician practice management services including coding, billing, and revenue cycle management audits.

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