We Make Healthcare Reimbursement Easy

Improving Your Revenue Cycle with Coding Audits

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With You Today

Hope Bonnetti, RHIA
Revenue Cycle Consultant

Hope brings extensive expertise in professional service coding, auditing, and education. She has a strong background in primary care, including Medicare preventive services, and pediatrics. With a decade of experience in a large healthcare system, she focuses on maintaining quality, ensuring compliance, and facilitating appropriate reimbursement for providers.

Today's Talking Points

- Audit Overview
- Audit Types and Approaches
- Implementing Your Audit Process
- Benefits of External Audits

Audit Overview

What is a Coding Audit

- Examines and evaluates the medical record to ensure services rendered are documented appropriately and reported on the medical claim accurately.
    - Review of clinical records, including but not limited to, progress notes, orders, labs, diagnostic imaging, procedures, and claim forms
    - Separate and distinct from a billing audit

Benefits of Coding Audits

- Ensure and/or improve coding accuracy

- Optimize reimbursement

- Discover process improvement opportunities

- Prevent or correct compliance concerns

- Decrease risk of external payer audits

Audit Types and Approaches

Professional Fee Coding Audit

Focused on an individual healthcare professional's personal service, including procedures and supplies.

Per date of service

- Evaluation and Management (E/M services)
- CPT procedural services
- ICD-10-CM diagnoses
- Healthcare Common Procedure Coding System (HCPCS)

CMS-1500 claim form

Facility Fee Coding Audit

Resource driven based on services, medical equipment, supplies, room/board, etc., rendered during an admission to a healthcare facility.

Based on the entire admission

- ICD-10-CM
- ICD-10-PCS
- Diagnostic Related Groups (DRGs)
- Discharge status

UB-04 claim form

Audit Approach

Prospective

- Review occurs prior to claim submission

- Specific/targeted services

- Goal is to identify and prevent coding errors before a claim goes out

- Clean claims equal quicker reimbursement

- May require an abundance of resources

Retrospective

- Review occurs after the claim has been submitted

- Random or targeted services

- Goal is to identify underlying problems, areas of high-risk, and/or revenue opportunities

- Time to gather data, analyze, and develop corrective action

- Doesn't prevent incorrect claims from going out

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

Conducted by an outside entity

May be voluntary or mandated

Supports internal compliance program

Leverages perspectives from a variety of organizations and industry best practice

Eases burden to internal staff

Goal is to improve quality in the organization

External Monitoring and Auditing

Types of External Audits

Voluntary

- Focus on prevention and maintenance
- Performed regularly
- Targeted or random

Involuntary

- Insurance/ payer audits
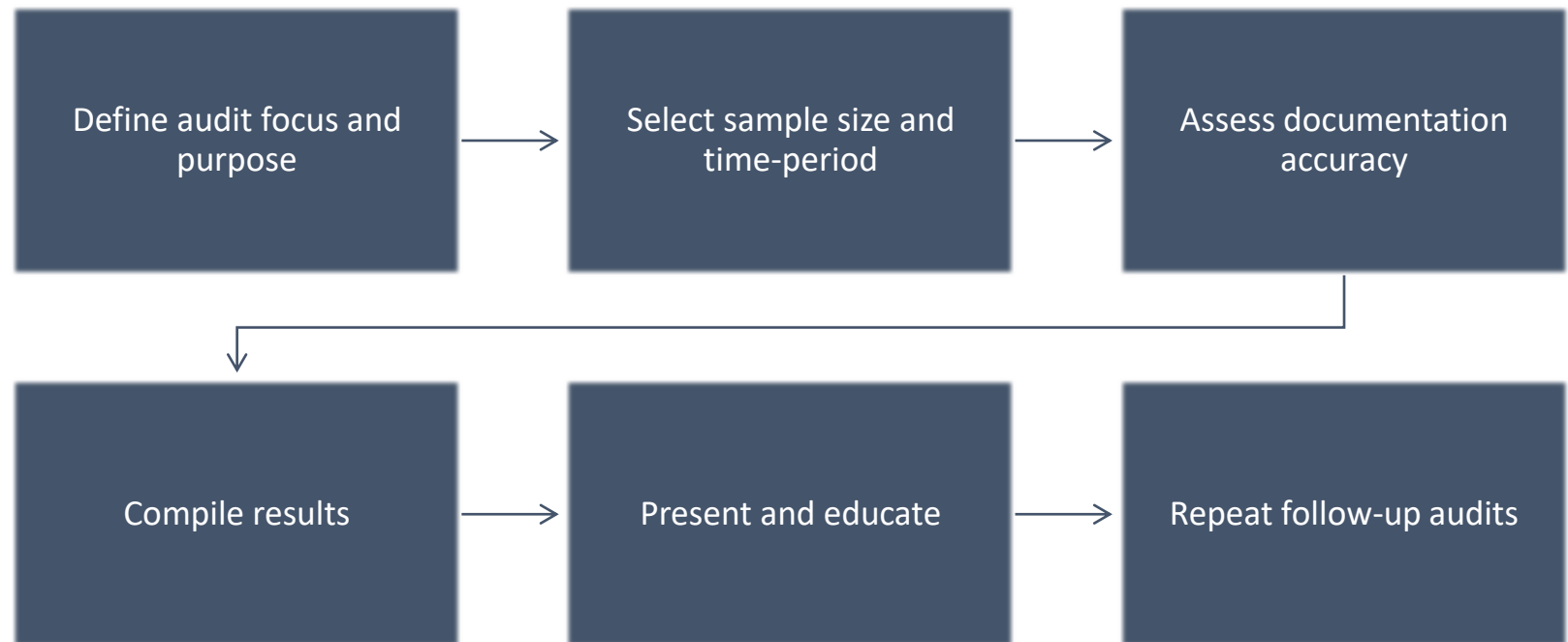- Department of Justice
- Office of Inspector General

Implementing Your Audit Process

Steps to Performing an Audit

Define audit focus and purpose → Select sample size and time-period → Assess documentation accuracy → Compile results → Present and educate → Repeat follow-up audits
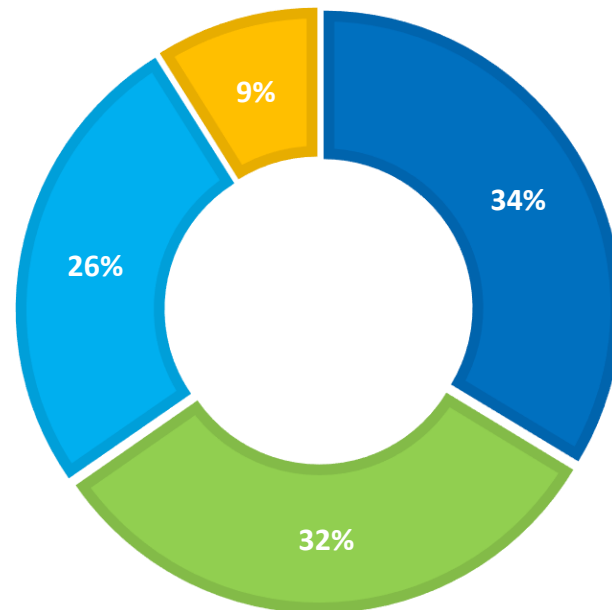
Coding Audit Frequency

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 19, 2022
*Figures do not add up to 100 due to rounding

Benefits of External Audits
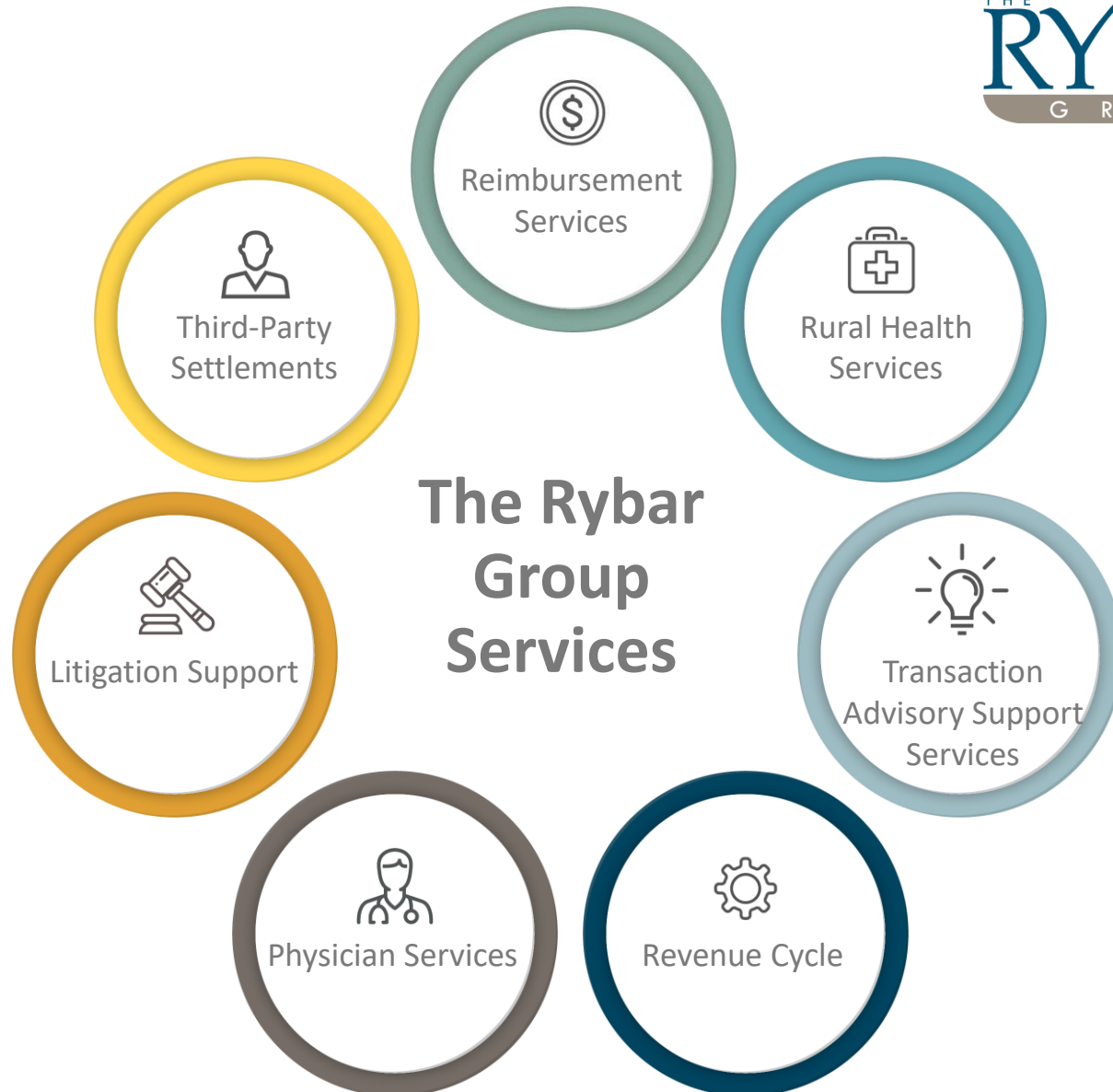
Benefits of External Audits

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

Questions?

The Rybar Group Services

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Contact Us

Hope Bonnetti, RHIA
Revenue Cycle Consultant
The Rybar Group, Inc.

(810) 853-6160
hbonnetti@TheRybarGroup.com

To learn more, visit:

www.TheRybarGroup.com
www.TheRybarGroup.com/coding-audit

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