

# Dermatology Coding Alert

## Diagnosis Coding: 6 Steps Pave the Way to Audit-Hardy Coding

### Precise coding doesn't require an overly-detailed coding policy.

An ICD-9 coding policy can help keep your claims flowing smoothly, but you can't just set it up and forget it. Here's how to establish a policy that will remain current and help you avoid headaches when the auditors come calling.

Step 1. The first building block of a well-designed coding policy is to indicate that you adhere to the ICD-9-CM Official Guidelines for Coding and Reporting, says **Tricia A. Twombly, BSN, RN, HCS-D, CHCE**, senior education consultant and director of coding with Foundation Management Services in Denton, Texas. Not staying up-to-date with these standard rules can lead to trouble.

For details: The Official Guidelines are updated each year and usually are available shortly after the annual ICD-9 updates are made public. If you keep up on the rules in the official guidelines, you won't have to worry about being blindsided by any across-the-board ICD-9 coding changes.

Step 2. Establish your coding process, including who does the coding and how you make corrections, says consultant **Karen Vance, OTR** with BKD in Springfield, Mo.

For example: In your practice, the dermatologist may circle the codes that he believes apply to the patient's condition, and then the practice's certified coder might check the chart to confirm that all accurate diagnoses are listed on the claim in the correct order, and that all fourth and fifth digits have been assigned appropriately.

Step 3. Describe how your coding staff will stay up-to-date and maintain their coding competencies. Staying on top of changes can be especially important, whether to the official guidelines, payer requirements, or the upcoming transition to ICD-10.

Key issue: Correct sequencing is always a concern for coders. Choosing the most appropriate diagnosis helps ensure not only that your practice is paid appropriately but that your coding will stand up under scrutiny from auditors. The assessing clinician and the expert coder must work together to make certain the ICD-9 codes are listed according to the seriousness of the patient's condition.

Step 4. Document your auditing process -- including the percentage of charts you'll audit for accuracy and how often you'll conduct those audits. Internal auditing can help make sure your dermatology coding is accurate before your mistakes are found in a costly audit from a ZPIC, RAC, or one of the other auditing entities.

Step 5. Measure your dermatology coders' accuracy. Paired with auditing, establishing an accuracy rate for your coders can help set the bar for your commitment to precise coding. If you require your coders to maintain a 95 percent accuracy rate with their coding, include this information in your policy, Twombly says.

Tip: Holding regular meetings with coders to review their ratings encourages accuracy and may be information you want to include in your policy.

Step 6. Keep policies current. Don't let your coding policy sit on the shelf and grow dusty. Make the effort to check your policy periodically to make certain it's current, Twombly says.

Mistake: Don't write policies that attempt to address how you're going to code each particular diagnosis, Twombly says. General policies that address the methods you use to keep your coding accurate are more useful and workable.

Follow-Up: If you do get downcoded in an audit related to your diagnosis codes, be prepared to ask for a redetermination,

advises **Lisa Selman-Holman, JD, BSN, RN, HCSD, COSC**, consultant and principal of Selman-Holman & Associates and CoDR -- Coding Done Right in Denton, Texas. If your coding is supported by clear clinical documentation and you have followed the appropriate guidance, be prepared to write an appeal stating why the coding is correct and quote official guidance in that appeal.

Auditors are not necessarily coders and may not know the rules that govern the practice of coding, Selman-Holman notes. Quoting specific sections of the official coding guidelines helps to show that you are knowledgeable and have coded correctly.