

# Dermatology Coding Alert

## Diagnosis Coding: Follow 5 Steps for Audit-Proof Medical Necessity

### Keep current and accurate training and records.

With a solid ICD-9 coding policy, your dermatology practice can ensure strong documentation to show medical necessity for services your physicians provide. Here's how to establish a policy that will go the distance when auditors come calling:

### Establish Coding Resources

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 the claim lists all accurate diagnoses with appropriate fourth or fifth digits in correct order.

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. Training shouldn't stop with the coder. Ensure an exchange of information between coding and surgical staff so that each understands diagnosis coding pitfalls and solutions for claims that will stand up to scrutiny from auditors.

### Create Audit Procedures

Step 4. Establish 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 coding is accurate before your mistakes are found in a costly audit from a ZPIC, RAC, or one of the other auditing entities.

Use the audit to measure your 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.

Step 5. 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 clear clinical documentation supports your coding 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.