

Dermatology Coding Alert

READER QUESTIONS: Conduct Self-Audits Regularly

Question: Is it important for our office to perform self-audits regularly, or is it OK just to perform one if we're going to be subjected to an OIG audit?

Maryland Subscriber

Answer: It's in your practice's best interest to perform regular self-audits. While a self-audit can certainly be in order before an OIG audit, they can also help ensure your practice isn't losing money and that you're not overlooking any compliance issues.

During a self-audit, you could uncover incorrect coding, noncompliant practices, or even services that were never billed. The bonus is that you'll find them long before an outside auditor does.

What to review: When you perform a self-audit, you need to review your physician's billing records, claims, and medical records to verify expected treatment outcomes and medical necessity of services. In addition, you should look for appropriate documentation to support fees and reasonable charges for services your physicians rendered. Finally, look at third-party payments, billing department processing, and your appeals process. You can implement a denials management process to assist with this.

You should audit at least 10 to 15 records per physician if you're in an outpatient practice, or 5 to 10 percent of the records if you're at a facility, experts say.

How often: If the outcome of your audit shows a compliance rate of 90 percent or above, you should self-audit once a year thereafter.

If the outcome shows a compliance rate of 70 to 89 percent, you should perform a repeat audit at six months.

If the outcome reveals a compliance rate lower than 70 percent, you should perform repeat audits quarterly until the percentage improves to 90 percent or above. Use this information to design and provide education to your providers, and change processes within your practice to facilitate improvement.