Internal Medicine Coding Alert

Setting Up Your Internal Coding Audit: A Consultants Perspective

When starting an internal auditing process, how do you know where to begin? Which codes are most important to your practice? How do you analyze audit information once you have it?

Internal Medicine Coding Alert, interviewed **Randy Thompson, CPC,** senior consultant with HealthCare Consultants of America (HCCA) Inc., in Augusta, GA. Thompson performs internal coding audits for many physician group practices, including Clark-Holder Clinic in LaGrange.

Here are his tips for setting up an internal audit process.

1. Decide what you want from the audit process. Thompson believes every internal audit should have a threefold purpose: 1) prevent allegations of fraud and abuse through the filing of faulty claims; 2) detect any sources of lost revenue for the practice; and 3) avoid malpractice claims.

When I go in and look at medical records, those are the things that I focus on, Thompson says. I want to make sure, in the charts that I am auditing, that the correct codes are reported, that they are not leaving any revenue on the table, and that there is appropriate documentation of the treatment.

2. Know your code frequency distribution. The first thing that I ask for is a frequency distribution: What codes does the practice report most frequently and how does it compare to their peers? he says.

Thompson uses both frequency data published by the Health Care Financing Administration and internal data that has been gathered by HCCA from its clients to evaluate where his individual clients stand.

Are they reporting more high-level E/Ms than most of their peers in similar specialties nationwide? Are there any commonly used codes that dont show up in their distribution at all?

Note: If you are doing chart audits without a consultant, it is difficult to gather frequency statistics. HCCA offers this initial service to practices of five or more physicians. For more information, call
(706) 738-2078.

Once he has an idea of the codes that the practices uses most often, any codes that they do not use as frequently as others in their specialty, or codes that are reported much more often in comparison with others in that specialty, he knows which codes or groups of codes he should target in the chart audits.

3. Know everyone involved in coding process. When coming into a new practice to audit charts, Thompson makes sure he knows who is responsible for assigning codes and what the groups process for code assignment is.

I ask for a copy of all of their forms that are typically included in the medical record, he states. I also want to know everyone involved in the code assignment processthe physician, the nurse, the office manageranyone who is involved in any way with how codes are reported.

4. Cover the big areas. Most primary care groups should look closely at how well their physicians are using their evaluation and management (E/M) codes, since these codes cover the majority of services that internists provide. The audit also should look closely at ICD-9 coding, Thompson advises.

5. Educate physicians, staff. In addition to counseling physicians about individual chart errors found during an audit,

Thompson believes it is important to find solutions that resolve documentation problems the physicians have. After each audit, he helps physicians design documentation templates that they are able to use to ensure they are including all available documentation to support a level of service.

In addition, everyone from the nurse manager to the front desk person should be educated about the importance of coding, documentation, and the integrity of the medical record. Anyone who comes into contact with patient information should understand the process, he believes.

Following individual sessions with physicians, Thompson recommends team meetings with all office staff to discuss ways to improve the coding and billing process and correct problems.