

# Optometry Coding & Billing Alert

## Capture Missed Charges With Chart Audits

### Prospective audits may be best if the office provides multiple services

Optometry practices that don't conduct regular internal chart audits are asking for trouble, because internal audits are a key tool in helping to improve billing accuracy and increase overall profitability. Further, internal audits can reduce billing mistakes that may result in an audit by Medicare or another insurer.

Internal chart audits provide practices with a -snapshot of documentation, coding and billing accuracy,- says **Cindy Hughes, CPC**, coding and compliance specialist for a specialty academy in Leawood, Kan.

**Key:** Internal audits allow you to identify areas where practice inefficiencies may be delaying payment or allowing for missed charges, Hughes says. Chart audits also help you keep your practice in line with CMS documentation and coding guidelines.

**Another plus:** Regular auditing shows you -how your practice would fare against an outside audit. Internal audits will uncover your areas of deficiency -- maybe a code type, a particular optometrist, or a particular coder. You can then actively correct the errors and discrepancies,- says **Susan Hvizdash, CPC, CPC-EMS, CPC-EDS**, physician educator for the University of Pittsburgh and AAPC National Advisory Board Member.

**Consequences:** Without regular auditing, you could be making regular billing mistakes over and over again. And if an outside auditor finds those problems, the practice might have to refund thousands of dollars and face further penalties and fines, Hvizdash says.

-You never want to be surprised [in an audit],- Hvizdash says.

Internal chart audits are serious business. But how can you decide:

- which type of audit is right for your practice?
- how often you should conduct audits?
- which codes and billing practices you should focus on during an audit?

Read on for answers to the above questions from a panel of internal chart audit experts.

### Choose Between Past and Future Audits

**Audit types:** Basically, there are two types of internal chart audits:

- In a prospective audit, the practice examines new claims before it files them.
- In a retrospective audit, the practice examines paid claims.

Which works best? It all depends on the practice, says **Curtis Udell, CPAR, CPC, CMPA**, senior advisor with Health Care Advisors Inc. in Annandale, Va.

**Pros:** -A prospective audit is more of a billing validation check and is the safest from an auditing perspective, as

problems can be identified and corrected before the claim is sent,- Udell says.

**Cons:** While prospective audits may be the safest route, the method is not without its potential pitfalls. -It is advantageous to do prospective chart auditing because this allows for correction of errors and capture of missed charges prior to the billing of the claim. However, this type of chart audit can delay billing,- Hughes says.

-On the other hand, the retrospective chart audit does not delay billing, and the audit process can proceed more quickly because the entire payment process is completed at the beginning of the audit,- Hughes says.

**Best bet:** -Each practice must determine for itself what types of audits their staff can reasonably complete, and what effects on cash flow the practice can handle,- Hughes says.

### **Audit at Least Twice a Year**

The frequency of your audits will depend on the size and type of your practice. However, the more often you can audit, the cleaner your claims will be, so experts recommend frequent audits.

-Larger offices may have resources to develop their program to conduct audits on a continual basis with different areas of focus throughout the year. Smaller offices may have the resources to conduct monthly or quarterly audits,- Hughes says.

**In a nutshell:** At the bare minimum, the insurance clerk should conduct an internal chart audit on each optometrist at least twice a year, Hvizdash says.

And when deciding on audit frequency, consider the amount of resources the practice can devote to the audit while simultaneously conducting day-to-day office business. -The audit should be based on practical considerations of what staff can reasonably achieve,- Hughes says.

### **Focus Audit on Commonly Billed Services**

Your internal chart audit should deal chiefly with procedures and services that your office provides every day, experts say.

**Try this:** When a practice is setting up its own internal audit system, Hughes recommends that it consult the Work Plan from the Office of the Inspector General (OIG). -This provides information on those services that have been identified as potential areas of fraud or abuse,- Hughes says.

You can download the OIG Work Plan for fiscal year 2006 from  
<http://oig.hhs.gov/publications/docs/workplan/2006/WorkPlanFY2006.pdf>.