

Optometry Coding & Billing Alert

Practice Management: Audit Your Audits to Cover Your Bottom ... Line, That Is

If you treat billing and compliance audits like routine car inspections, you're missing the point. These perfunctory requirements do more than simply appease the government; they can show you where your practice might be losing reimbursement it's entitled to.

Billing and compliance audits can make your billing more accurate and thorough, as well as ensure that all the services your practice renders are appropriately documented, charged and paid, says **Betsy Nicoletti, CPC**, a consultant with Helms in Concord, N.H.

The auditing process begins with your compliance plan, Nicoletti says. Inside your compliance plan, you should have a provision for auditing and monitoring your coding and billing. Make sure your audit routine matches what your compliance plan requires. So, if you have a very aggressive audit plan that reviews 30 dates of service per physician, and you consistently audit only 10, you should amend your compliance, she advises. "It's very important to do what you say you're going to do." You don't want the government to think you're not taking your compliance plan seriously. Even if the amount of charges you review is more than enough, if that amount falls short of your compliance plan's goal, it might appear that you're not serious about compliance.

When selecting an auditing plan for reviewing charges, codes and documentation, you need to make two choices: first, between prospective and retrospective audits and, second, between internal and external auditors.

Regardless of which auditing model you create, Nicoletti suggests that you review 10 claims per provider every quarter. Medicare suggest doing six, says **Catherine Brink, CMM, CPC**, president of Healthcare Resource Management Inc., in Spring Lake, N.J. The Office of the Inspector General, Medicare's oversight group - and the organization that watches compliance - has an even more lenient policy of five, Nicoletti says.

You want your auditor to provide specific written feedback in a 20- to 30-minute in-person visit that instructs the physician with education and training, and does not reprimand. Tell your auditor to leave time to answer the physician's questions, especially the typical ones about time as a determining factor, new patient documentation requirements, Medicare physical exams, and sick visits and consultations.

Your Auditor's Plan

Whoever oversees or manages the review for that particular day should make sure all the information is available.

Instruct your reviewer to print out the patient list forms on the appointment schedule that day, pull out the encounter forms, print out the patient accounts from that day only, and pool the patient documentation for that day.

Then have the auditor check scrupulously these details on claims, offered by Nicoletti: the level of E/M services; duplicate billing for service providers didn't do (and records with insufficient documentation); the use of modifiers, which escape most claim editing systems; that services match the date you bill them; that consult bills have supportive documentation; that diagnosis codes match up with the encounter form; provider signature verification.

When the auditor is checking codes and bills against documentation, he or she should check whether your office missed billing some services that were performed and documented, check documentation of the services rendered, and substantiate the codes that were charged. Also, auditors should check to see if ancillary services that were performed were billed and not just waived, e.g., urinalysis, and pregnancy, strep and Hemocult tests.

When the review is completed, it would help the provider if your auditor showed him how he compares to other providers. Comparison may help convince the provider to change his coding choices. The auditor can present to each provider a printout of the normal distribution of E/M codes and E/M codes in the specialty, Nicoletti says. You could also show distributions of other procedure to see where your provider falls within the range of coding according to national standards.