

Part B Insider (Multispecialty) Coding Alert

AUDITS: Find Hidden Revenue in Common Code Claims

We uncover the top trouble spots that could be lurking in your charts

Heads up: It's not enough to do regular chart audits. You should be focusing on the most common trouble spots--and you could receive a big payoff for doing so.

For example: -The billing staff at one [primary-care practice] failed to report any modifiers for office encounters, costing the practice \$30,000 in unpaid services that year,- says **Curtis Udell**, director of compliance and reimbursement with **Health Care Advisors Inc.** in Annandale, VA.

Another audit uncovered im-proper modifier assignment, and the practice had no process to correct claims or appeal denials. -It cost the practice \$450,000 in revenue in one year,- he says.

Your internal audit should focus on the billing issues that are most likely to disrupt the office's cash flow or cause compliance issues. The biggest targets, according to **Ian Easton**, head of applied technology at **Coastal Georgia Community College** in Brunswick, GA:

- areas the **HHS Office of Inspector General** (OIG) plans to target in its Work Plan (<http://oig.hhs.gov/authorities/docs/physician.pdf>).
- [higher-level evaluation and management codes](#)
- [high-cost surgeries/procedures that the practice performs often](#).

You should base your audits on your doctor's billing patterns, as well as on the billing areas your carrier seems most concerned with, says **Deborah Grider**, president of **Medical Professionals Inc.** in Indianapolis.

For example: An audit of the past six months- charts shows that Provider B has reported 20 level-five new patient E/M visits and only seven level-three new patient visits. This means Provider B could be a billing outlier. In this instance, make sure Provider B can justify the E/M levels, or the office might be marked with -billing outlier- status. There's a very good chance that Provider B is overcoding some 99205 services.

You should especially audit claims that payors are paying close attention to. These include:

- **New and established patient E/M visits.** Don't neglect auditing these E/M visits because practitioners often do not fulfill all of the requirements necessary for the care level they choose.

Often, you'll find that the physician did enough work to justify a higher level, but didn't document that work adequately, Grider says. In many of these cases, the practitioner reports the higher level inappropriately, and you'll want to eliminate this pattern with your audit.

Also, an audit of E/M visits might show that there are opportunities for more reimbursement, says **Susan Hvizdash**, physician educator for the **University of Pittsburgh Physicians Department of Surgery**.

Internal E/M audits often uncover -middle-of-the-road- coding, which occurs when the practitioner chooses level-three codes almost exclusively, even when the provider could be reporting more level-four or level-five codes.

Example: Dr. X conducts a com-prehensive history and exam on a patient, along with high-complexity medical decision-making. Even though this is a level-five service, a -middle-of-the-road- coder would still report a level-three E/M code for

the service.

- **Use of modifier 25** (Significant, separately identifiable evaluation and management service by the same physician on the same day of the procedure or other service) on claims. Many providers do not perform extensive enough E/M services to justify an E/M with modifier 25, Hvizdash says.

- **Use of modifier 59** (Distinct procedural service). Modifier 59 use also raises a warning flag, because the modifier - essentially has the ability to override all edits in its path,- Hvizdash says. For this reason, you must support your modifier 59 claims with substantial documentation.

- **Consultation coding** (99241-99255). Payers always pay close attention to consults because of the service value. - Consults have higher RVUs (relative value units) and are paid about 25 percent higher than the comparable new patient office visit codes (99201-99205), so they are a constant target,- Udell says.