

## Part B Insider (Multispecialty) Coding Alert

### Billing: Easily Evaluate Your Billing Procedures With Internal Audits

Start with a baseline audit , then make changes before auditors come knocking

Would you pass an audit if a payer auditor showed up at your practice door? You should be using internal chart reviews to evaluate your practice's compliance and billing processes -- before someone else does.

#### Reap Internal Review Benefits

Performing internal audits can help you ensure billing and coding compliance and may also help you find money you've been leaving on the table, says **Maggie M. Mac, CMM, CPC, CMSCS**, consulting manager for **Pershing, Yoakley and Associates** in Clearwater, Fla.

"Not only is this important -- it is crucial to a practice's success," adds **Susan Garrison, PCS, FCS, CCS-P, CHC, CPC, CPC-H, CPAR**, executive vice president of **Magnus Confidential Inc.** in Atlanta. "Finding problems early helps alleviate risk. Additionally, internal audits might point out when you need to bring someone from the outside in to help."

Audits will also uncover inconsistencies in documentation and coding so you can focus your staff education. For example, maybe something conveyed was misunderstood, or confusing, and that will come out in the audit.

**Tip:** Refer to these internal audits as "reviews" to ensure that employees don't hear the word "audit" and panic. Some people equate an "audit" with finding mistakes, but "reviews" are considered check-ups of your coding practices.

#### Start With a Baseline Evaluation

You should begin your audit efforts by performing a baseline audit -- the first comprehensive audit your practice undergoes. Then you can decide how often you will perform internal audits each year.

**Why?** With the information gleaned from a baseline audit, you'll be able to streamline future auditing efforts and focus on the most important areas to your insurers. Your goal is to get each provider and biller as close to 100 percent compliance and accuracy as possible. The baseline will help you decide how frequently you need to perform future audits and also help you determine the areas for improvement that your practice should focus on between audits.

**Going forward:** How often you perform internal reviews after the baseline audit depends on several factors, including your time and staff resources, the baseline audit's results and your practice's size. In most cases, plan to perform an internal audit at least once per year, and more often if you find high error rates.

#### Follow a Checklist

Your first step in the auditing process is to narrow the parameters of your audit. You should answer the following questions before you get started:

1. **What is the focus of the audit?** You need to know exactly what you want to accomplish.
2. **What will the audit's scope be?** Consider which providers, services, date ranges, and payers your audit will address. Look at areas such as incident-to billing, modifier use, and code edit unbundling.

3. **How will you select charts?** Will you fix this process for each provider, or will you randomize the chart selection? You should select a minimum of 20 charts per provider for your review, Mac says. That chart selection should include a variety of types of services, including E/M services, consultations, hospital services, and surgical procedures.
4. **What documentation will you review?** Pull charts and organize supporting documentation, such as a printout of physician notes, account billing history, CMS-1500 forms, and explanations of benefits (EOBs) to review during your audit. If your practice is doing everything according to what the payers require, the next step is to determine whether you have supporting documentation.
5. **Why am I finding denials?** During an audit, or even during a separate billing review, you should be reviewing denials. If your review shows that your billing practices are perfect but claims are still being denied, you need to investigate.