

Chiropractic Coding & Compliance Alert

Audit: Audit in Your Future? Boldly Face It With These Action Strategies

Expert recommends five ways to emerge tough.

Are your insurance payers asking you for money back more frequently? If so, you are not alone. Over the past few years there has been an increase in the number of payers auditing chiropractic services. Read on to know how to withstand audit challenges.

Focus on 5 Truths Every Chiropractor Should Know

Forewarned is forearmed. Here are the facts that play a vital role in determining your bottom line:

1) Can the payers legally ask for refunds? Legally speaking, yes. If a payer is reimbursing either the provider or the patient, they do in all fairness have the right to ask questions about the claims.

2) Be wary of the extrapolation evil: Extrapolation is a statistical technique of estimating the trend or a result from the analysis of a small sample and applying it to an entire group. Now this statistical technique has an intrinsic error rate: the smaller the sample, the larger the error. In simple words, suppose you want to estimate the rate of road traffic accidents (RTA) in a specific area, and you choose to study it on only two people. Even if one of them has an accident and the other doesn't, your road accident rate would be 50 percent. And if both of them have an RTA, the extrapolation would declare that anybody who crosses the road will have an RTA.

Beware: This is exactly what auditors may be doing to you. They audit a small portion of your records, claim a particularly huge error rate (say, 80 percent), and then brandish you with the verdict that 80 percent of your claims were paid in error.

"Be aware of the fees, the allowed amounts and how the payers process claims" cautions **Doreen Boivin, CPC, CCA**, with Chiro Practice, Inc., in Saco, Maine. "Become knowledgeable of what the requirements are to process claims and get the maximum reimbursement. Don't be afraid to ask questions."

3) Ignorance of the law may cost you dearly: If you are ignorant of the Insurance Recoupment Laws, chances are private payers may take you for a ride. For example, the legal limit for recoupment is twelve months from the date of service. If a payer asks you about a claim processed earlier than that, you should appeal at the drop of a hat. However, some states may not have recoupment laws and then the payers act within their legal rights. "If we aren't aware of the coverage then we aren't able to submit our claims properly. This is just one area that can lead to an audit, billing for services we aren't knowledgeable about billing." Cautions Boivin.

4) Don't let the auditors play upon your lack of confidence: Auditors are there to find gaps and show that our documentation could be better. This is especially true if an authoritative auditor well versed in technical jargon says so. They may even make you feel that they are right in teaching you a well deserved lesson through a small payback of say, \$70,000. Some providers might just pay the amount and get on with life, never thinking about whether they're eligible to appeal. Don't let that happen to you or your practice.

5) No time to dwell on small paybacks? Think again: Everyone knows that for a medical practitioner, patient care would always be a priority over administrative nitty gritty. Some DCs might just write off that \$10 shortage and get on with the next patient. You think that filing an appeal for this amount isn't worth the time and effort for you? Just think of the whopping amount the payers are set to gain collectively from say 50,000 such preoccupied DCs. Plus, every \$10 that you deserve to be paid adds up over time and can benefit your bottom line.

"As staff, it is our job to know what the insurance benefits are for our patients." says Boivin.

Look for 5 Ways to Conquer Audit Challenges

Now that you are aware of and in control of your vulnerabilities listed above, you are all set to work your plan with the following strategies:

1) Review the audit points under a microscope: According to Medicare Payment Advisory Commission (MedPAC), auditors receive a contingency fee as much as 9 to 12.5 percent of the recovered amount, which some feel could be an incentive for them to target high dollar claims. Some of them may make mistakes, which means your first defense should be to double check the audit points and see if they truly apply. Though this may seem to eat a major portion of a good business day, it could benefit you in multiple ways:

- If you find that your documentation is fine and that all the facts are in place, you can appeal straightaway without the need of an attorney – an open and shut case for the lawyer that's you.
- If you find the queries really point out deficits, you can take this an opportunity to make sure they won't happen again.
- Doing this audit review is sure to bring down your error rate, and thereby the payback amount.

2) Appeals have a fair chance: Most of us think of the auditor's verdict as final, with nothing left for us to do but go along with the findings. However, that may not always be the case. There is always hope. In fact, whenever you face such a situation, your first move should be to appeal.

Medicare has been very transparent in keeping the appeals data available on their website. Data indicates that over 60 percent of the appeals won, and the post-payment demands were overturned.

3) Know when to hire an attorney: You need to decide on this according to your analysis of the situation. Weigh the benefits and choose wisely.

- One simple parameter would be comparing the fees with the payback amount at stake.
- Another important thing to consider is that the attorney you seek should have a good background of handling chiropractic post-payment audits.
- If you need to hire someone, choose a person who can clearly answer your questions and guide you through the process.

4) Negotiate for settlement: All is not lost if you do have to repay an insurer. According to Dr. Tom Necela, founder of the website Strategic Chiropractor, "Most payers are open to..." negotiation "...And a reasonable settlement". Do a little homework to convince them that the extrapolated error rate may not rightly reflect the actual deficit and that they should consider this in your favor.

5) Maintain impeccable documentation: Invest some time to develop a system of good documentation. This is an absolute remedy that will let you withstand any scrutiny (You can refer to "8 Easy Ways to Keep Your Claims on Track" in Chiropractic Coding & Compliance Alert, Vol. 1, Number 1, for documentation basics).

Editor's Note: Look for tips on good documentation to beat audits in our next issue.