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Improving Revenue Cycle Performance in an Era of Change with Proactive Audit Preparedness

Presented by

CoxHealth

Director, Audit and Compliance

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Who am I and where do I come from?

- **Registered Nurse with over 30 years of health care experience and bachelors of nursing**
- **Masters in Business Administration**
- **Certified Coding Specialist (CCS) and (CCS-P)**
- **Staff nurse, nursing supervisor, women's health educator, physicians' relations representative, regional director of clinics operations**
- **Director of Audit and Compliance**

CoxHealth

BEST REGIONAL HOSPITALS U.S.News SOUTHWEST MISSOURI 2012-13

- **CoxHealth**
  - Multi-hospital system-Springfield, MO
  - Level 1 Trauma Center, Open Heart, NICU, Stroke Center, Psychiatric Care, Cancer Care, FP Residency
  - Over 60 primary care regional physician clinics
  - Multi-specialty physician group of 120 providers
  - Largest Neurosurgery group in the state of Mo





Learning Objectives

- **Assess current process and auditing needs**
- **Identify what billing audits should be done**
- **Develop a billing audit plan**
- **Designing, implementing, and reporting billing compliance audits**
- **Identify tips, tricks, and potholes**
- **Conduct a successful RAC appeal**

7 Elements of Compliance Program

Seven elements are:

- **Designate a Compliance Officer**
- **Create Open Lines of communicatio**
- **Provide education**
- **AUDIT AND MONITOR**
- **Establish a disciplinary plan**
- **Establish a process to investigate concerns**
- **Establish policies to govern the program**

Set the stage

CoxHealth Code of Conduct state:

"All staff must be careful to properly charge, code and bill for services in accordance with Federal and State health care program requirements and CoxHealth Policy. ***Billing for services not documented or provided could be considered a "false claim" and could result in financial penalties. Employees should never charge, code or bill solely to be paid if the service was not provided or documented.*** An employee who has concerns or questions should notify their Supervisor or the Corporate Integrity Department right away."

Old adage

If it isn't documented….

It didn't happen….

If it didn't happen….

You cannot bill for it!

Getting Started

Assess current state

Billing Audits

NONE ⟷ **ALL**

Facilities, Departments, Services, Providers

Assessing

CoxHealth auditing ten years ago:

	None	Some	All
Facilities/Campuses	✓		
Departments Services	✓		
Physicians			
-Employed		✓	
-Contracted	✓		
-Non-physician providers	✓		

Assessing

Non-formal billing audits

Clinical staff, department managers and providers care most about:

- **Their Patients**
- **Their Budgets**

Individuals may be doing billing audits that you don't know about.

Assessing

CoxHealth auditing today

Enterprise Audit Department….

	None	Some	All
Facilities/Campuses			✓
Departments Services			✓
Physicians			
-Employed			✓
-Contracted			✓
-Non-physician providers			✓

Needs of an audit team

Space/Workstations

- Auditors should be in a single location
- On or off campus
- Access to meeting rooms
- Fast computers/dual monitors
- Standard office equipment; fax, copier, printer

Needs of an audit team

Software Applications

- All clinical documentation systems
- All billing and imaging systems
- Internet access
- Current and past coding manuals
- Outside coding resource; online
- MSOffice Suite
- Charge Master access

Needs of an audit team

Consider an outside coding resource

- Support for the auditors
- Updates on new and changing codes
- Interpretation of regulations
- Answer questions
- Provide regulatory references
- Mediator

Needs of an audit team

Budget

- Salaries
- Software/Coding Resources
- Education
- Mileage
- Office supplies

Needs of an audit team

Staffing

WANTED…RN Auditors (5 yrs clinical exp.)

WANTED…Certified Coders (2 yrs phy. office exp.)

WANTED…Billing Specialists (2 yrs PFS exp.)

Needs of an audit team

Staffing

Preferred candidate…(RN, Coder, or Billing Specialist)

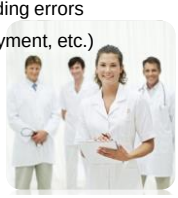
- Is knowledgeable of Medicare billing regulations, CPT coding and conventions.
- Technical skills include 10 key, and keyboarding.
- Software knowledge of Cerner, Centricity, IDX, Soarian, MS Office.
- Strong communication skills.
- This is a fast-paced role that changes with the regulatory environment and the needs of the organization.

Department Responsibilities

- Educating and training of Department Managers/Staff/Physicians
- Audit/Monitor for billing compliance
- Audit/Monitor for regulatory compliance
- Charge Master maintenance
- Monitors impact of regulatory
- Identify ways to enhance revenue
- Consumer pricing

Department Responsibilities

- Identify potential liabilities
- Resource for billing compliance and coding
- Oversee outside auditors
- Research, analysis and report
- Prevent, detect and correct coding errors
- Conduct appeals (RAC, Prepayment, etc.)



Audit Team

ORG Chart

1 Director

1 Asst Director	**1 Dept Sec**
5 RN Auditors	3 RN Auditors
6 Phys Auditor	1 Phys Auditor
2 Billing Specialist	1 Billing Specialist

Audit Team

Prospective Audit Team "Daily Team"

- 5 RNs on the team; 1 Billing Specialist
- Prospective review of accounts for accuracy
- Determining observation hours
- Review all 1 day inpatient stays for medical necessity
- Review medical records for PFS
- Split claims
- Charge master maintenance

Audit Team

Retrospective Audit Team "RAC Team"

- 3 RNs, 1 Certified Coder, 1 Billing Specialist
- All government payers and related audits
- Prepayment reviews
- Risk Management requested audits
- Implement Cox's annual audit plan
- Perform outside insurance audits
- Patient requested audits
- Charge master maintenance

Audit Team

Physician Coding Auditors

- 6 Certified Coders; 1 Billing Specialist
- New physician education
- Conduct physician and midlevel provider audits
- Shadow audits (follow provider)
- Coding resource for physicians/clinic staff/others
- Educational seminars and one-on-one/onsite
- Charge master maintenance

Audit Team

3 Billing Specialists

- Support Staff
- Cancer research monitoring
- Charge error work list (transaction errors)
- Charge master maintenance
- Account review, charge review
- Maintain audit tracking software

Audit Team

1 Secretary

- Maintains all the audit files
- Arranges all seminars, mtgs, audio-confs
- Maintains the audit department website
- Generates reports
- Accounting and budget prep
- Post time for staff
- General office management

Identifying Audits

Sources of Audits

- OIG Work Plan
- LCDs and NCDs
- Literature "Hot Topics"
- Hot Line Calls
- Outliers or Anomalies
- Denial (ABNs)
- Customer complaints
- Interfaces
- Changes in billing practices
- Missing services
- New services

Identifying Audits

What to Audit?

Risk

-Regulatory (NCD, LCD, MCR billing rule)

-Mission, vision and values

-Detection, capture, control

Volume

-Large numbers = $$$ refund

Dollars

-High $ = $$$ refund

Identifying Audits

Risk to the Organizations

Mission, Vision and Values

Bad press, financial impact, legal implications

Detection and Capture

How likely can the error be found?

Controls

What safeguards are in place to prevent the error from billing?

Identifying Audits

Example: Cardiac Defibrillators

Risk	Low	Med	High
Regulatory (NCD, OIG WP)			✓
Mission, Vision, Values			✓
Detection (lack of)			✓
Capture (lack of)			✓
Control (lack of)			✓

Identifying Audits

Example: Cardiac Defibrillators

	Low	Med	High
Volume		✓	
Dollars			✓

Identifying Audits

Example: Cardiac Defibrillators

Assessment

	Low	Med	High
Risk			✓
Volume		✓	
Dollars			✓

Place on Audit Plan YES

Audit Plan

Audits to consider:

- NCD and LCDs
- OIG Work Plan
- Modifier 25…Wound Center, physician billing
- Modifier 59…Interventional Radiology
- Time based codes…PT, OT, SP,
- Physicians— E&M critical care, discharge
- Units…Pharmacy

Audit Plan

Developing an Audit Plan

- Meet annually to develop plan
- Review OIG work plan
- Review sources of audits
- Concerns from managers
- Identify highest area of risk
- Prioritize

Audit Design and Implementation

Audit Validity

Three key areas to overcome

1. My practice, department, service is different.
2. The auditor isn't qualified
3. The audit isn't statistically valid

Audit Design and Implementation

Overcome resistance by

- Providing regulatory and comparative data
- Auditors are certified and experienced
- Utilizing General Accepted Auditing Principles (GAAP)
- Using a statistically valid sampling techniques
- https://oig.hhs.gov/compliance/rat-stats/index.asp

Audit Design and Implementation

Initiation Form

- Date requested
- Who requested audit
- Hospital or provider audit
- Synopsis of the concern
- Audit focus
- Patient population
- Payer source
- Reimbursement
- Time frame
- Sample size
- Type of claim
- Immediate actions

Audit Design and Implementation

Conducting the audit

Probe Audit:

- Small sample size (10-30 accounts)
- Limited time frame
- "Spot check"
- Results less than 90% requires an expanded audit sample

Audit Design and Implementation

Probe Audit Used for

- Routine monitoring
- Follow up audits
- Allows auditors complete more audits
- Multiple years—do each year
- Investigating for larger issues

Audit Design and Implementation

Larger Concerns—CAUTION

Probe Audits allow organization to quickly identify larger issues and bring those issues under Attorney Client Privilege if necessary.

Auditors need to be schooled in identifying high risk issues and cease audit activity immediately and report findings.

Reporting

Audit Summary

- Includes information to replicate the audit
- All information as on initiation form
- Resources utilized; LCD, CPT manual, etc
- Results—accuracy rate
- Findings
- Plan Action
- Follow Up

Reporting

Tracking—all audits are:

- Issued an audit tracking number
- Logged on a tracking spreadsheet (future tracking software)
- All information including emails, reports, medical records and spreadsheets are kept in electronic format with the audit
- Time frame for storage—minimum of 10 years

Reporting

Reporting

- Any audit that has greater than $5000 in repayment is immediately reported to the Compliance Officer

- All completed audits are reported to the Billing Compliance Committee which is a report completed for the Compliance Committee of the Board

Tips, Trick and Potholes

- Don't bite off more than you can chew
- Once you know, you are obligated
- Be aware of the "Hawthorne effect"
- Don't get stuck in one approach
- Billing Reports, pt scheduled appt, time cloc
- Watch for systemic issues—Atty Client Priv
- Use the regulations for the date of service

Tips, Tricks and Potholes

- Always check UB/HCFA
- Always check EOBs
- Make sure you got PAID!
- Varying payment amounts based on DOS
- CPT/HCPCS applies to ALL payers
- NCDs/LCDs are Medicare
- When Medicaid is silent, follow Medicare regulations

Tips, Tricks and Potholes

- Bring audit under ACP if there are any concerns
- Easiest and fastest way to stop problem claims is a bill hold or claim delay.
- Line in the sand for "before" and "after"
- Gives time for fixes to go in place
- Do follow up audits after fixes are in place
- Stick to the audit purpose or focus (bunny trails)

Tip, Tricks and Potholes

- Equal opportunity audits
- Get specific in your audit design
- Employees should report, not investigate
- Audit outside auditors (consultants, RACs, payer)
- Utilize physician peers to review appropriateness of medical decision making
- Build collaborative relationships

RAC Appeals

Appeal to WIN!

- Appeal all denials to the first level
- Solicit feedback from Case Management or UR
- Solicit feedback from the attending physician
- Score the medical record for appeal strength
- Diligently track all accounts
- Watch time lines closely

RAC Appeals

Scoring—Initial Review

- Physician and CM/UR response
- Physician Order—Valid?
- Location of Care (ICU, Nursing, Obs Unit)
- Specialty Consults
- Failed Outpatient Therapy or treatments
- Emergency room visit

RAC Appeals

Scoring—History

- For each documented medical history that is relevant to the chief complaint in the recent past.
- Look for systemic problems such as diabetes, heart disease, strokes, COPD, etc.

RAC Appeals

Scoring—History

- Family History—immediate relative
- Social History—High risk behavior
  - Alcoholism with symptoms
  - Drug use/abuse with symptoms
  - Smoking, current or quit less than one year
- Current medications; number and complexity

RAC Appeals

Scoring—Intensity of Service

For each nursing/therapeutic/diagnostic service *after* the inpatient order.

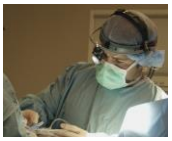
- Medication drips
- Telemetry
- Laboratory
- Cardiology
- Respiratory/O2
- Frequent VS
- OT, PT, Speech
- Radiology
- Neuro check
- Stoke protocol
- Glycemic Protocoal
- Enterostomal care

RAC Appeals

Scoring—Intensity of Service

Each surgical or invasive procedure

- Scheduled
- Urgent or Emergent
- Inpatient Only—automatic appeal



RAC Appeals

Scoring—Intensity of Service: Procedures

- Cath Lab
- Endoscopy
- Surgery
- ECHOs (TEEs)
- Intubated with ventilator management
- Interventional Radiology
- Angiography

RAC Appeals

Scoring—Severity of Illness

Treated and/or related to the chief complaint

- Abnormal Vital Signs
- Pain Scale 4 or >
- Mental status change
- VTE scale 4 or greater
- Anesthesia Risk 3 or >
- Abnormal Test Results
- Abnormal Lab Values
- Uncontrolled Bleeding
- Loss of Consciousness
- Advanced Age (> 75)

RAC Appeal

Scoring—Discharge disposition

- Home or to a nursing Home
- Skilled Nursing Facility
- Rehab unit
- Transferred to a higher level of care

RAC Appeal

Scoring Totals

INITIAL REVIEW	_____
HISTORY	_____
FAMILY/SOCIAL/CURRENT MEDICATIONS	_____
INTENSITY OF SERVICE	_____
SEVERITY OF ILLNESS/DISCHARGE DISPOSITION	_____
GRAND TOTAL	_____

POINTS	
0-50	**WEAK / DO NOT APPEAL**
51-79	**FAIR / AUDIT TEAM REVIEW**
80 +	**STRONG / APPEAL**

RAC Appeals

Appeal Decision	YES NO
Date of Team Discussion	_____

Rationale for No Appeal

Does not meet severity of illness	_____
Does not meet intensity of service	_____
Outpatient testing only	_____
Comments	

RAC Appeals

Letter Template

Bringing clinical and regulatory together

Medicare Benefit Policy Manual 100-02, Chapter 1, Section 10:

"An inpatient is person admitted to the hospital…with expectation that he or she will remain overnight."

RAC Appeals

Medicare Benefit Policy Manual 100-02, Chapter 1, Section 10:

"The physician or other practitioner responsible for a patient's care at the hospital is also responsible for deciding whether the patient should be admitted as an inpatient."

RAC Appeals

Medicare Benefit Policy Manual 100-02, Chapter 1, Section 10:

"Physicians should use a 24-hour period as a benchmark, i.e., they should order admission for patients who are expected to need hospital care for 24 hours or more, and treat other patients on an outpatient basis."

RAC Appeals

Medicare Benefit Policy Manual 100-02, Chapter 1, Section 10:

"*However, the decision to admit a patient is a complex medical judgment which can be made only after the physician has considered a number of factors…*"

RAC Appeals

"*The severity of the signs and symptoms exhibited by the patient*"

"The medical predictability of something adverse happening to the patient;"

RAC Appeals

"*The need for diagnostic studies that appropriately are outpatient services (i.e., their performance does not ordinarily require the patient to remain at the hospital for 24 hours or more) to assist in assessing whether the patient should be admitted*"

"The availability of diagnostic procedures at the time when and at the location where the patient presents."

RAC Appeals

Scoring information

- Pre-exiting Conditions
- Severity of Illness
- Intensity of the service
- Nursing plan of care
- Diagnostic studies
- Risk/Unpredictability

RAC Appeals

- Screening tool such InterQaul or Milliman
- Physician comments
- Research any failed outpatient therapy
- Including office visits
- Summarize

Administrative Law Judge

Be prepared

Flag locations in the medical record such as the admission order, H&P, abnormal labs, progress notes, operative note, discharge summary, etc

Limited time

Present your in a concise and to the point manner

Administrative Law Judge

Legal Hearing

- Know the Medicare regulations
- Know where in the record the documentation supports the regulation
- Draw direct lines from the regulation to the documentation
- Demonstrate the physician intent and concern regarding any risk

Conclusion

A mature audit team can bring immeasurable value to an organization.

- Identify revenue as well as compliance concerns
- Education and training
- Resource for billing compliance
- Robust auditing and monitoring can help reduce potential fines of a government audit

QUESTIONS?