Revenue Integrity: The Basics of Charge Capture, Coding and Compliance in the OP Facility Setting

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Agenda

• Charges
• Chargemaster
• Coding Accurately
• Evaluation and Management (E/M) Codes
• Procedure codes
• Wonderful world of Modifiers
• Edits – CCI and others
• Business Office Functions
• Compliance programs and how they affect us
• Audits
• Resources
Charges

• How are these applied?
  – If these are maintained by the individual departments – need to ensure that they are updated

• Pricing – who does this?
  – Decision Support?
  – Accounting?
  – There needs to be a formula and algorithm set up to calculate charges
Charges cont.....

• Does anyone verify the charges that are applied to a bill?
• Do you often get complaints from patients about their bills and their charges?
Chargemaster (CDM)

- What is the Chargemaster?
- Who updates the chargemaster?
  - Does the chargemaster coordinator meet yearly with the different departments?
  - Do you have a CDM committee that reviews all of the new charges that a department requests to ensure the charges are compliant?
Coding Accurately

• Who does the coding?
  – What are the certifications and education level of the coders?
  – Hard coding vs. soft coding of CPT codes

• What documentation is reviewed during the process?

• Who appends the modifiers?
  – Is this a “backend function” that is done by the business office?
E/M Coding

• What formula or algorithm is there to apply the charges?
• What is figured in to said formula – what resources are allocated in to the E/M?
• Who selects the levels and are they trained?
E/M Coding Concerns

• For the departments and the ER who applies these?
• Is the documentation reviewed prior to the assignment of the E/M code with a procedure?
  – Do the providers do their own coding or is there a coder?
Procedures

• Who is performing the surgery/procedure?
• Did the charges get billed?
• Does the documentation support the procedure being performed?
Modifiers

• Who appends them?
• Hard coded?
• Is documentation reviewed to validate for these prior to these being applied?
Modifier 25

• Modifier 25 - Significant, Separately Identifiable evaluation and management service by the same physician on the same day of the procedure or other service

Modifier 25

• Important concept is that the service is above and beyond the usual preoperative and postoperative care that would be included in the procedure

• Ask yourself is this part of the procedure or above and beyond?
Modifier 51

• Multiple procedures provided on same day by same physician
• Added on to the additional procedures that a provider performs that day
• Don’t reduce billed amount as insurance company will reduce it down upon payment
Modifiers 52, 73 and 74

• 52 - Reduced Services
• 73 – Discontinued OP proc prior to anesthesia being administered
• 74 - Discontinued OP proc after anesthesia was administered
Modifier 59

• MODIFIER OF LAST RESORT!!!!
• Use this **only** if the documentation has been reviewed and this is appropriate
• Don’t use “Just to get paid”
• If another modifier is more applicable, use it instead

• On the OIG Work Plan
Modifier 91

• Repeat clinical diagnostic laboratory test

• Need to be applied if the patient has several labs done that day with same CPT code

• Could be Hemoglobin and Hematocrit if patient is getting blood

• Not to be used if repeat due to results that didn’t come out properly (machine failure)
Edits – NCCI/CCI and Others

• What type of edits do you receive?
• Are they front end edits or back end edits?
• Are they from the claim scrubber?
• Who handles these edits?
• Are they run through the CCI edit scrubber?
• Who handles the denials?
NCCI Edit Resources

• Must update quarterly
• Mutually Exclusive and Column 1 and 2 were combined in 2012

Business Office Functions

• Are they handling edits and denials effectively?
• Are they providing feedback about denials?
• Are they applying modifiers?
Compliance Programs

• How do they affect us?
• Who is our Compliance Officer?
• What do we do if we have a Compliance concern?
• What can we do to ensure we are being compliant?
Hazards of EHR and CAC’s

• Electronic health records (EHR’s) and computer assisted coding (CAC’s)
• Who has these in your facility?
• What type of oversight do you have?
• Any human involvement or simply a decision by a machine?
Internal Audits

• Are you doing any internal audits?
• External audits?
• What is being done with the results of the audits?
  – Education
  – Changes in behavior of staff
  – Policy and Procedures updated or created
Internal Audit Process

• What documents are being reviewed when audit is performed?
  – Medical Record Documentation or just super bill/check sheet, etc.
  – Final billing is retrospective review
  – Proposed bill if prospective review
What to Audit

• E/M visits – what does your bell curve look like?
  – Do you have all high level visits?
  – Do all procedures have E/M billed as well?

• Surgery – Does someone audit the supplies and charges that pass to the claim?
Audit Recovery Programs

• Who are they?
• What are they?
• What are their functions?
• How do they impact us?
Auditing Bodies

• Recovery Audit Contractors (RAC’s)
• Medicare Administrative Contractors (MAC’s)
• Medicaid Integrity Contractors (MIC’s)
• Private payers – BCBS, Aetna, Workers Comp
Resources

• What version of the books do we have?
• Is our software updated?
• Claim-scrubber up to date?
Resources for Hospitals and Departments

• Software like Craneware, MedAssets, Wipfli


Questions?
Thank You!!!!

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