Reducing Your Risk of an Audit

Corrie Alvarez, CPC, CPC-I, CEDC

Agenda

- What is an Audit?
  - RAC, CERTs, etc.
- What are the Risks?
- Mitigating those Risks
- Compliance Expectations
- Resources
  - OIG Work plan
- Developing your Audit Plan
What is an Audit?

• Prospective versus Retrospective

• Recovery Audit Contractor (RAC)
  – Identify waste, errors, abuse
  – Medicaid

• Comprehensive Error Rate Testing (CERTS)
  – High costs, high volume, significant changes
  – Medicare

• Zone Program Integrity Contractors
  – Most serious
  – Suspect Fraud

What are the Risks?

• False Claim Act
  – Filing false claims may result in fines up to three times the program’s loss plus $11,000 per claim filed
  – Each instance of an item or a service billed to Medicare or Medicaid counts as a claim
  – No specific intent to defraud is required
  – Qui tam plaintiffs
Coding Trends of Medicare E/M

• Published May 2012
• Office Of Inspector General (OIG)
• Increased higher level services
• Recommendations
  – Education
  – MAC review increases
  – Review top providers data

Mitigating the Risks

• Compliance Program
• Auditing Program
• Policies and Procedures
Where do you Begin?

- Credible Resources
- AMA’s “Physician Compliance Planning”
- Compliance Program Guidance
  - [www.hhs.gov/oig](http://www.hhs.gov/oig)

7 Elements of an Effective Compliance Program

- Conducting internal monitoring and auditing
- Implementing compliance and practice standards
- Designating a compliance officer or contact
- Conducting appropriate training and education
- Responding appropriately to detected offenses and developing corrective action
- Developing open lines of communication
- Enforcing disciplinary standards through well publicized guidelines
Developing Your Audit Program

- Baseline Audits
  - How many
  - How often
- Timeliness
  - Dates of Service
  - Feedback
- Education
- Goals/objectives

Audits

- Targeted Audits
  - Based on audit findings
  - New policies/procedures
  - PM Frequency reports
  - Denials
  - OIG Work plan
OIG Work plan

- Published Annually-October
- Self Reporting
- Prompt Refunds
- Prevention

OIG Work plan Example 1

- Physicians-Place-of-Service Errors
  - We will review physician’s coding on Medicare Part B claims for services performed in ambulatory surgical centers and hospital outpatient departments to determine whether they properly coded the places of service.
OIG Work Plan Example 2

• E&M Services-Potentially Inappropriate Payments in 2010
  – ……services in 2010 and the consistency of E/M medical review determinations. We will also review multiple E/M services for the same providers and beneficiaries to identify electronic health records documentation practices associated with potentially improper payments…MACs have noted an increased frequency of medical records with identical documentation across services.

OIG Work Plan Example 3

• E&M Services-Use of Modifiers During the Global Surgery Period
  – We will review the appropriateness of the use of certain claims modifier codes during the global surgery period and determine whether Medicare payments for claims with modifiers used during such a period were in accordance with Medicare requirements.
Steps to an Audit

- Select Your Charts
- Audit What You Should
- Audit What You Can
- Avoid Reviewing Your Own Charts
- Know the Rules
- Audits Should be Taken Seriously
- Be Professional
- Be Educational
- Corrective Action Plans

Your Audit Tool Box

- Goals/Objectives
  - 95% or 20% improvement?
  - Documentation, Coding or both?
- Internal Policies/Procedures
- Payer Guidelines
- Audit Templates
Feedback

• Must be Timely
• Must be Evidence Based
• Be Prepared
• Be Professional

What a Good Auditor Knows

• Be Overly Prepared
• Be Professional
• It’s Never Personal
• Be Prepared (worth saying again)
• The Ten Minute Rule
• Attitude Counts
  – Be Caring. Good Listener. Don’t Overwhelm.
    Don’t Overreact. Expect the Unexpected.
Audit Templates

• Options
  – Obtain from the payer
  – Develop your own
  – Required versus Suggested

### Detailed Analysis

**Practice:** ABC Medical, Inc.  
**Date of Audit:** Nov. 30, 200X  
**Provider:** Clark Kent, MD  
**Auditor:** Your Name

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<th>Chart #</th>
<th>Patient</th>
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<th>CPT Code Reported</th>
<th>CPT Code Documented</th>
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### Surgery Audit Tool Case #5

**Physician:** Clark Kent, MD  
**Date of Review:** November 15, 200X  
**Patient Name:** Favorite Patient #2849582  
**Date of Birth:** 0X/0X/19XX  
**Date of Visit:** 9/01/200X  
**Insurance Carrier:** Aetna  
**Surgical Service(s) Billed:** 11406, 12002  
**Diagnosis Code(s) Billed:** 216.7  

**Comments:** 12002 should not be reported. According to CPT Coding Guidelines, simple closures are included when an excision of a benign or malignant lesion is performed.

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<td>Supports medical necessity (ICD-9-CM)</td>
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### E/M Benchmarking Tool

- **AAPC Physician Services**  
  - [www.aapcps.com](http://www.aapcps.com)

- **E/M Utilization Tool FREE**  
  - Benchmark your E/M utilization against Medicare utilization rates  
  - Select Your Specialty  
  - Enter E/M coding data
E/M Benchmarking Tool

- Select a specialty: ____________
- New Patient Office Visits
  - Utilization/Units (12 Month Period)
    - 99201 New Patient - Focused *
    - 99202 New Patient - Expanded *
    - 99203 New Patient - Detailed *
    - 99204 New Patient - Comprehensive *
    - 99205 New Patient - Complex *
- Office Visits – Established
  - Utilization/Units (12 Month Period)
    - 99211 Est Patient - Minimal *
    - 99212 Est Patient - Focused *
    - 99213 Est Patient - Expanded *
    - 99214 Est Patient - Detailed *
    - 99215 Est Patient - Comprehensive *

E/M Pediatric Audit

- Annual utilization report by E/M code
- New and established patients
- Comparative data results in seconds!
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<th>CPT Code</th>
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Scenario #1

- Dr. Jones is a new physician in the group. He was hired on January 8, 2013.

- What type of audit would you schedule for this new physician?

Audit Plan for Dr. Jones

- The group’s Policy and Procedures state that the new providers must:
- Attend Orientation
  - Review Policies/Procedures
  - Receive EMR Training
  - Shadow Physician of Same/Similar Speciality
  - Receive Compliance Training—which includes documentation, billing and coding guidelines
  - Baseline audit must be conducted within 45 days
Audit Plan

• The policy states within 45 days a baseline must be done
• What are your true goals/objectives?
• How do you prepare for a good outcome?
• Communication
• Time Wisely Spent

Audit Plan for Dr. Jones

• Day 1 Plan
  – Introduction
  – Brief review of expectations
  – Communication
  – Resources
• Day 2 Plan
  – Review a new patient and an established patient record
  – Give Guidance. Impromptu feedback. Reminders
Audit Plan: Dr. Jones

- Day 7-10
  - 10 minute Q&A Session
  - Review 2 additional charts
  - Discuss 45 day baseline audit

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Medical Necessity

- The Medicare definition of medical necessity under the Social Security Act states “no Medicare payment shall be made for items or services that are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.”

How to Calculate Error Percentage

- Calculate the error (subtract the number of charts audited from the number of those found in error)
- Divide the number of those in error by the exact number of charts you audited (you will get a decimal number)
- Convert that to a percentage by multiplying by 100 and adding a % sign)
Resources


• CERT

Resources for Free Audit Tools

• Trailblazer Health Enterprise
  www.trailblazerhealth.com
• Wisconsin Physician Service
  www.wpsmedicare.com
• Noridian Administrative Service
  www.noridianmedicare.com
• Palmetto GBA
  www.palmettogba.com
Reference Books

- Coder’s Desk Reference (Ingenix)
- Coding from the Operative Report (Ingenix)
- Evaluation and Management Coding Advisor (Ingenix)

~Advice From a Tree~

1. Stand Tall and Proud
2. Go out on a Limb
3. Remember Your Roots
4. Be Content With Your Natural Beauty
5. Enjoy the View

Author: Ilan Shamir
Thank You!