

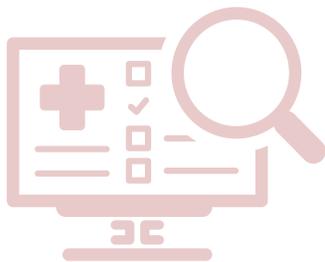


Hospital Finds Peace of Mind with Excelas' Coding Verification Audits

BACKGROUND

Performing proactive internal audits of processes and procedures is an excellent way to ensure compliance with corporate or regulatory standards. But sometimes, it's not until an external audit returns unexpected results that an inward examination begins.

Such was the case with a hospital client that had undergone two coding audits. The hospital was troubled by a substantial number of instances where external auditors found that codes for the facility's hospitalists should be downcoded from an original Level 3 to a Level 1 due to documentation deficiencies.



CHALLENGE

These findings concerned the client on two fronts. First, evaluation and management (E/M) codes dictate the level of reimbursement the hospital receives from Medicare, Medicaid, or private insurers. Depending on the circumstances, a Level 1 reimbursement may be only one-third the amount of a Level 3 reimbursement. Therefore, having claims downcoded from Level 3 to Level 1 has a significant financial impact.

The second concern relates to poor documentation. If this was the cause of the downcoding decision, the hospital may have a more widespread problem that requires attention. Because this can also pose a risk in areas other than E/M audits, it was critical for the hospital to determine what the issues were so that they could put measures in place to manage their risk exposure and achieve better outcomes in the future.

SOLUTIONS

The hospital reached out to Excelas for a coding verification audit to assist in determining whether the findings of the original audits were accurate or whether they should dispute the audit findings based upon a more thorough review of the medical records.

Whether completed in response to an external audit or simply done as a proactive measure, such an audit can also provide an evaluation of the facility's coding and documentation practices compared to industry best practices. Such a comparison can reveal specific areas in which coding procedures or documentation can be improved to reduce the client's risk as well as to support their code assignment.



Knowing when and why to choose one code over another, or knowing what is or is not in the record that impacts the coding decision, can help facilities develop improvement plans. Armed with this information, the hospital coding department will know where they can begin making improvements or providing retraining, so that future audits will produce better results.

For example, a Level 3 E/M code for a hospitalist must be supported by a Level 3 Hospital Progress Note (among other criteria), which must include two of the following three elements:

- A detailed history, which in turn must include a chief complaint; an extended History of Present Illness (HPI) that includes four HPI elements; two to nine Review of Symptoms (ROS) elements; and at least one element of Past, Family or Social History (PFSH).
- A detailed exam, which in turn must include at least 12 data points from a review of organ systems.
- High complexity medical decision-making, which in turn must include two of the following elements: four problem points; four data points; and/or high level of risk.

When it came time for Excelas to conduct the verification audit, the hospital provided a list of patients whose records had been audited, along with the original E/M codes assigned by the facility. During the audit, Excelas focused exclusively on a random sample of patients whose billing codes were changed from Level 3 to Level 1 in the external coding audit.

For the client, the decision to conduct the audit was an easy one. “Having third-party review of our coding and documentation practices will give us the peace of mind we need to ensure that we are

on track,” the hospital administrator said. “And the results will tell us where there are gaps in knowledge among our billing staff, if any.”

Using the electronic medical record and an encoder, a thorough review of the clinical documentation was conducted. Particular attention was given to initial physician assessments and related documentation in order to determine the accurate code assignments. The verification audit then compared the original code assignment to the Excelas findings, and finally to the findings of the outside auditors.

RESULTS

Excelas' findings confirmed those of the external auditor. In most cases, the E/M codes should be downcoded from Level 3 to a Level 1. "While this was not exactly the result we were hoping for, it does provide us with the information we need to move forward," said the hospital administrator. "We now have validation that there are opportunities to improve our processes and strengthen our financial position."



For help evaluating your coding or documentation practices, contact Excelas today. Learn how we can assist you improve your outcomes.

