

## AUDITOR'S CORNER

### Why Should We Conduct Chart Reviews?

There are many reasons one might want or need to conduct a chart audit. Reviewing charts regularly will red flag potential problems and can keep your facility/company out of the Feds' crosshairs. The single best way to prevent conflicts with the Feds over charging issues is to conduct routine reviews of your practice's billing procedures. Government recommendations advise conducting regular "internal monitoring and auditing" of your practice's procedures as an integral part of your compliance plan.

In most cases, this is defined as establishing an internal chart auditing team or hiring an experienced medical chart auditing firm to verify that your charging practices up to date and accurate. The scope of medical audit is verifying that charges on the detailed itemized hospital bill are accurate and that charges represent services rendered to the patient and are ordered by physician and are based upon standard hospital practices and/or nursing protocols and procedures.

One reoccurring question is how often to review and what sample of

chart needs to be reviewed. A great practice for hospitals is to perform concurrent audits to identify charges that may indicate deficiencies in charge pathways and processes. A **concurrent audit** is defined as a complete audit on a non-disputed account, completed within 30-days of patient discharge. The audit sample should be random query to be determined by the facility/client.

Besides conducting a monthly concurrent audit, facilities should also look into conducting focus audits. Focus audits take an in-dept look at small segments of hospital's charging structure to make a determination, decision, or conclusion about specific billing or charging practice. **Focus audits** are designed to address a variety of issues, including, but not limited to:

1. Validate or quantify a trend or pattern of billing errors noticed during routine/concurrent audits.
2. Do quality check on new service line or new charge capture mechanism.

[Continued on pg. 2](#)

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### QUOTE OF THE MONTH

#### Imagination

Seeing all possibilities, seeing all that can be done, and how it can be done, marks the power of imagination.

Your imagination stands as your own personal laboratory.

Here you can rehearse the possibilities, map out plans, and visualize overcoming obstacles.

Imagination turns possibilities into reality.

### INSIDE THIS ISSUE

- Why Should We Conduct Chart Reviews?
- The Massive Medical Coder Shortage
- Businesses Say: "No Pay" For Major Mistakes
- About Us

To go to the Auditor's Corner Archives, [click here](#).  
Questions or comments? E-mail us at [info@ahapinc.com](mailto:info@ahapinc.com).



## Chart Reviews, cont. from pg. 1

3. Check on the effectiveness of previously implemented corrective action.

4. Retrospectively correct accounts in which a specific billing error has been identified.

Another reason for establishing an internal chart auditing team or hiring an experienced medical chart auditing firm is to provide **staff education** as deemed necessary and assisting the appropriate department managers and nursing departments with maintaining and/or developing charge protocol and policies in all revenue producing departments.

A complete chart audit should include not only precise audit details providing audit outcomes but also a

detailed monthly audit statistic report to identify departments showing a trend of over charges and under charges including departmental error rates. These audit statistic reports, help to identify the reasons why the over and under charges are occurring and can further assist departments in creating a corrective action plan for resolution to prevent errors from reoccurring.

In conclusion a chart audit is an examination of your facilities charging, documentation, and policies to determine weak areas in your systems practice and improve a healthy financial system.

By [Julie Doumad, RN, BSN, CMAS](#)

## The Massive Medical Coder Shortage

Like health care in general, the health information management (HIM) industry suffers from a shortage of qualified professionals, including medical coders, who affect an organization's bottom line with almost every action. The Workforce Coding Professional Survey (American Health Information Management Association [AHIMA] and American Hospital Association Central Office, with support from the American Medical Association, conducted in May 2006 and released in 2007) found that employers face real challenges filling open coding positions. Often 59 percent of respondents who had open coding positions in the preceding 12 months, 76 percent reported having a difficult to extremely difficult time filling open positions. Nearly one in three had positions open for four to six months; 23 percent experienced vacancies of seven months to a year. Workforce shortages in this area can be particularly troubling to the financial wellbeing of a hospital or health system.

[Continued on pg. 3](#)

## AMERICAN HEALTHCARE AUDIT PROFESSIONALS, INC.

We are a premier Medical Consulting and auditing firm which provides Medical Chart Auditing, Certified Coding, and Consulting Services. With the help of our highly experienced Nurse Auditors and Certified Coders, we help our clients obtain specific goals in the areas of:



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## Businesses Say: "No Pay" For Major Mistakes

Providers are certainly mortified when they make a "never" mistake--such as performing surgery on the wrong limb--but even then, few spontaneously offer to waive the costs of the procedure. These days, however, some large employers are arguing that providers should do just that. The Leapfrog Group, which represents giant employers like Boeing and General Electric, is now asking providers to cancel the bill and issue an apology whenever any of the [28 adverse events](#) takes place. Leapfrog's initiative is supported by The Midwest Business Group on Health, which represents about 80 Chicago-area employers. The events targeted by Leapfrog range from the extreme--such as mixing up donors for an artificial insemination--to more-common problems such as injuring a patient with contaminated tools or drugs.

Observers predict that most hospitals will agree to this proposal, but will still end up working out many problems on an individual basis. In the future, meanwhile, they may come under pressure from insurers as well, as health plans are gradually beginning to rule out payment for never events. One health plan, Minneapolis based HealthPartners, not only requires its network hospitals to report errors to state governments but also won't let hospitals bill patients for these procedures. Eventually, as this trend evolves, hospitals and clinicians may end up eating the fee when more-minor errors occur.

CMS Administrator Mark McClellan said this week he wants a change in Medicare's reimbursement policy in situations where "never events" are involved. Under the proposed rules changes, Medicare would no longer pay for treatment in cases where such mistakes are made. "Never events" is the industry term for the most serious medical mistakes, the errors that quite frankly should never happen in a thousand years. The list typically includes wrong site surgeries, wrong patient surgeries, mismatched blood transfusions and other potentially deadly gaffes.



Happy  
Easter  
From  
AHAP Inc.!

## The Massive Medical Coder Shortage, cont. from pg. 3

The impact of the coder shortage, which is felt by hospitals across the country, includes payment backlogs, which in turn negatively affect hospital operations and eventually add to the rising cost of health care within individual organizations and the healthcare industry at large. This trend proves particularly problematic for healthcare providers operating at either end of the spectrum of this workforce shortage. Rural healthcare providers generally have fewer qualified professionals available locally, and providers operating in high demand areas face heavy competition.

Increasingly, revenue cycle leaders, patient financial services managers, and CFOs of hospitals and health systems are embracing alternative solutions and working closely with their directors of HIM and revenue integrity to move beyond the reality of not having enough qualified medical coders from which to choose. Some of the most often overlooked yet tried and true ways for hospitals and health systems to address the shortage of qualified medical coders and minimize this trend's impact on the bottom line include the adoption of remote coding systems, workforce development programs, or dedicated revenue integrity departments.

### Embracing Remote Coding

Remote coding systems can make an organization a more attractive place to work in the eyes of skilled coders and break down any geographic barriers to hiring qualified staff. Offering more flexible work schedules, eliminating commutes, and generally making life easier for these in demand professionals are just a few of the reasons organizations encounter great success in retaining existing coders and attracting new talent once they implement a remote coding system and offer this increased flexibility to existing and potential coders.

With today's application service provider (ASP) and web-based coding options, remote coding has little development cost beyond personal computers and scanners with standard, off-the-shelf configurations.

A remote coding system can pay for itself in as little as six months. This advantage offsets many of the costs otherwise encountered; including coder recruitment, signing bonuses, overtime, outsourcing or contract coding costs, payment backlogs, and chronic coding errors. These expenses contribute to disappointing claim denial rates that wreak havoc on the bottom line of hospitals and health systems; so the decision to implement remote coding is often a simple one.

Directors of HIM or revenue integrity most commonly spearhead efforts to implement remote coding systems. Financial professionals should tap into their expertise before, during, and after the decision to implement a remote coding system is made. Their inherent expertise positions them well to play a large role in the decision making and planning process and/or to identify areas of need when external expertise is needed to supplement internal resources. HIM and revenue integrity professionals can help assess the potential return on a remote coding system, determine the monetary and other costs associated with implementation, and develop a plan to successfully complete the seven steps associated with developing and launching a remote coding system: learning about remote coding technology; building an implementation team; creating a remote coding vision; selecting a technology solution; and designing, implementing, and monitoring the remote coding program.

This and other expertise will prove invaluable for a successful remote coding system implementation. The technology considerations range from a simple high speed fax solution, to ASPs that scan and deploy remote coding materials via the web, electronic health record (EHR) add-ons that provide secure and direct access to existing electronic data, or a host of other options. HIM and revenue integrity professionals also bring a great deal of practical knowledge to the table regarding the most important features and functionality, current coding operations, and in many instances human resources (HR) and IT readiness. Financial professionals should not stop with these groups, however, when creating the remote coding implementation team; it is important to obtain executive sponsorship; identify a project manager; and ensure that the right IT, HR, and executive management professionals get involved early.

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