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AHAP Inc.

AMERICAN HEALTHCARE AUDIT PROFESSIONALS

AUDITOR'S CORNER

RAC TARGETS DOCUMENTATION ERRORS

Documentation errors and omissions can clearly put hospitals and physicians at risk for denials. Most physicians don't understand the link between what they write in a medical record and what the hospital, and they get paid. Nor do they understand the very real risks of fraud and abuse charges that can result from patterns of errors.

Understandably, healthcare providers put patient care first and we wouldn't want things any other way. When the doctor is called to see a patient with chest pain, writing a detailed note is just not the first thing on his or her priority list. Too often though, providing excellent patient care is used as an excuse for very poor documentation.

Some physicians feel that writing good notes isn't their concern -that they have PA's, NP's or residents to do the work. Some don't see the link between quality care and documentation and think that as long as their patients do well, that's all that really matters. Of course everyone is stressed for time and so notes are dashed off all too quickly. And some physicians honestly don't have the information they need to do a better job of documenting.

The fact is, physicians haven't been taught very much about documentation in medical school or training. They usually get a general introduction to writing histories and physicals, and documenting to the problem-oriented medical record. They get some legal tips on documentation practices aimed at reducing professional liability risks.

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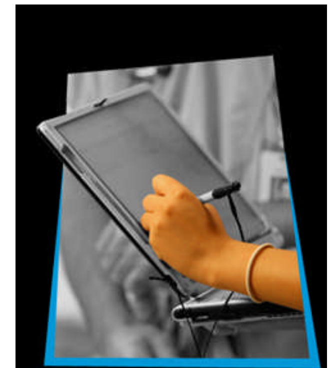

QUOTE OF THE MONTH...

The strongest single factor in prosperity consciousness is self-esteem:

- **Believing you can do it, believing you deserve it,**
- **Believing you will get it.**

CMS PROPOSES 6.1% CUT IN MEDICARE PAYMENTS

Physicians would receive a 6.1% cut to their Medicare payments starting Jan. 1, 2011, under a proposed rule issued by the CMS. That reduction would be in addition to a projected 23.5% cut that is scheduled to take effect Dec. 1, provided that Congress doesn't act to change it.

The proposed rule's creation follows a tumultuous debate on Capitol Hill over Medicare's sustainable growth-rate formula. The SGR formula has called for payment cuts to doctors for years, with Congress stepping in intermittently to stop the reductions.

The latest intervention came on June 24, when the House approved legislation to replace a 21.2% Medicare physician pay cut with a 2.2% raise through November. The measure was swiftly signed into law.

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BECOME A SUCCESSFUL LEADER

Most people are content just to stand around listening for orders. And it isn't unusual to adopt a follow-the-leader mentality. But maybe, somewhere inside of you, you feel the desire to make things happen - to be the head, not the tail.

Some people believe that great leaders are made, not born. Yes, it may be true that some people are born with natural talents. However, without practice, without drive, without enthusiasm, and without experience, there can be no true development in leadership.

Contrary to what most people believe, leadership is not about power. It is not about harassing people or driving them using fear. It is about encouraging others towards the goal of the organization. It is putting everyone on the same page and helping them see the big picture of the organization. You must be a leader not a boss.

People follow others when they see a clear sense of purpose. People will only follow you if they see that you know where you are going. Remember that bumper sticker? The one that says, don't follow me, I'm lost too? The same holds true for leadership. If you yourself do not know where you're headed to, chances are people will not follow you at all. Having a clear sense of hierarchy, knowing who the bosses are, who to talk to, the organization's goals and objectives, and how the organization works is the only way to show others you know what you are doing.

Studies have shown that one other bases of good leadership is the trust and confidence your subordinates have of you. If they trust you they will go through hell and high water for you and for the organization. The way you deal with your people, and the relationships you build will lay the foundation for the strength of your group. The stronger your relationship, the stronger their trust and confidence is in your capabilities.

Once you have their trust and confidence, you may now proceed to communicate the goals and objectives you are to undertake. Communication is a very important key to good leadership. Without this you can not be a good leader. The knowledge and technical expertise you have must be clearly imparted to other people.

Also, you can not be a good leader and unless you have good judgment. You must be able to assess situations, weigh the pros and cons of any decision, and actively seek out a solution. It is this judgment that your subordinates will come to rely upon. Therefore, good decision-making is vital to the success of your organization. Also you should recognize and take advantage of the skills and talents your subordinates have. Only when you come to this realization will you be able to work as one cohesive unit.

Remember being a leader takes a good deal of work and time. It is not learned overnight. Remember, also, that it is not about just you. It is about you and the people around you.

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AHA: MORE THAN $2 MILLION IN MEDICARE CLAIMS DENIED

Recovery audit contractors denied $2.47 million in Medicare claims to 437 hospitals in the first quarter of 2010, the American Hospital Association announced. In the first results of its RAC Trac survey, a quarterly poll designed by the AHA to track and summarize the RAC program's impact, the AHA determined that the RAC contractors were engaging primarily in complex reviews, which use human review of medical records and other medical documentation to identify improper payments to providers.

"Outpatient coding and billing were often the target for automated reviews, while inpatient coding was a common target for complex reviews," the survey stated.

RAC respondents reported complex reviews of medical records totaling more than $117 million nationwide.

The Recovery Audit Contractor, or RAC, program allows third-party auditors hired by the CMS to keep 9% to 12.5% of payments they identify as improper and collect from providers. Currently, it only audits payments made in Medicare's fee-for-service program.

At least in the first quarter of this year, the RAC program has affected 84% of responding hospitals—whether or not they experienced RAC reviews, the AHA determined.

By Jennifer Lubell Healthcare Business News

RAC TARGETS DOCUMENTATION...CONTINUED FROM PAGE 1

But when it comes to writing detailed notes that justify medical care decisions, well, that medical school class never happened.

Leading Documentation Error

Here are some examples of the documentation errors which can translate to denials and dollars:

1. Tops on my list: the lack of justification. "Tell me, Doc, why does this patient need inpatient care instead of observation? Why does the patient need to stay another day?" Physicians need to remember to use the word "because" as in "The patient needs to stay another day **because** his hemoglobin has not stabilized and he continues to complain of dizziness."
2. Too often problem lists are made, but no diagnoses are suggested, or the principal diagnosis is not spelled out clearly.
3. Physicians don't fully explain the impact of co-morbid conditions and complications.
4. Handwritten notes are completely illegible, and times and dates are missing and finally,
5. Electronic medical records are cut-and-pasted without updating.

Poor Outcomes

All of these poor practices can lead to erroneous coding, improper DRG calculations, and denials. What's more, for those of you in denials management, these practices make it very difficult to write strong appeals.

Physician Involvement: The Key

So, what are hospitals to do? It's critical that hospital compliance programs hit their marks, and physicians must be part of the process. Hospitals need to approach these issues from several directions by undertaking the following:

Regularly reviewing hospital and physician performance statistics
2. Providing physicians feedback with data on dollars lost and denials gained
3. Creating documentation aids, electronic or paper, that make it easy to do the right thing
4. Educating physicians in ways that are simple and direct and,
5. Establishing on-going, short, structured, small group information exchanges between medical records staff and physicians with everybody leaving their egos at the door.

The bottom line is it takes a multipronged, customized and creative program to ensure that everyone - including physicians - plays their part to comply with the rules and reduce the risks of denials.

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CMS PROPOSES 6.1% CUT...CONTINUED FROM PAGE 1

If Congress doesn't act later this year, however, that 21.2% cut will reappear on Dec. 1, a CMS spokeswoman said. Taking into account the 2.2% increase physicians will receive through November, the net result will be more like a 23.5% cut, she said.

Combine the 2010 reduction with the 2011 projected cut, and physicians potentially face a nearly 30% SGR cut in January, Cecil Wilson, president of the American Medical Association, has predicted.

“We are very concerned about the impact the continuing uncertainty about payment rates and cash flow disruptions may have on physician practices and on beneficiary access to physicians' services,” said Jonathan Blum, deputy administrator and director of CMS's Center for Medicare. Although more than 97% of physicians have chosen to participate in Medicare for 2010, “We are hearing more stories of physicians limiting the number of beneficiaries they will see,” Blum said.

The proposed rule also seeks to implement an incentive payment for primary-care services as well as provisions in the new health reform law that would eliminate out-of-pocket costs for most preventive services. Comments on the proposed rule are due Aug. 24, with a final rule to be issued by Nov. 1

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- *Worker's Compensation Reviews*

MAKING A DIFFERENCE WHERE IT COUNTS...

CHARGE CAPTURE IN REVENUE GENERATING DEPARTMENTS

"Charge Capture" should be an essential part of any healthcare organization. Properly capturing charges can significantly increase the revenue and reduce the delayed payments/ long accounts receivable cycle.

Unfortunately, many hospitals and healthcare providers consider this task as just another cost of doing business or view this process as low priority administrative function without any centralized process or standards in entering charges and do not give it the high priority that it should be given.

Hospitals and healthcare providers lose millions of dollars every year due to mismanagement of the billing process. This ranges from inaccurate charging, such as undercharging for a service or procedure or missing a charge altogether. Accurate charge capture processes will improve cash flow and increase revenue which adds up to a healthier bottom line satisfying regulatory compliance.

One way of insuring such process is having Internal Medical Chart Audit. **Internal Medical Chart Audit should be considered an Investment, Not Just a Cost.** A properly trained Medical Chart Auditor with a strong clinical and billing experience assisting the appropriate department managers and nursing departments with maintaining and/or developing Charging Protocols and Policies in all revenue producing departments can play a significant role in identifying, correcting and improving the charge capture and recovery of lost revenue process within a hospital and healthcare providers.

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