

State University of New York DOWNSTATE MEDICAL CENTER POLICY AND PROCEDURE

Department: The Office of Compliance and
Audit Services

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Subject: Auditing and Monitoring of
Clinician Documentation,
Coding and Billing

Distribution: Department Manual

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- I. **Purpose:** The purpose of this document is to outline State University of New York (SUNY) Downstate Medical Center's (DMC) policy and procedures for the auditing and monitoring of clinicians documentation, coding, and billing of clinical services.
 - II. **Responsibilities:** The Office of Compliance and Audit Services (OCAS) is responsible for auditing a sample of documentation, coding, and billing for services/procedures rendered through the DMC Clinical Practice Management Plan (CPMP) - University Physicians of Brooklyn (UPB) and the hospital based University Hospital of Brooklyn (UHB) clinicians. The CPMP-UPB and UHB departmental Chair and Administrator are responsible for providing such information to OCAS upon request, and to schedule and coordinate the Departments' participation throughout the audit.
 - III. **Policy:** It is DMC's policy to proactively audit and monitor the clinical documentation supporting coding and billing rendered by the DMC CPMP / UPB and the hospital based UHB clinicians. On a routine basis, a representative sample size of ten (10) records per clinician will be audited. The ten (10) records will be audited for clinical reimbursement compliance elements and best practice elements.

Throughout the audit the Centers for Medicare and Medicaid Services' (CMS) authoritative guidelines for documentation, including but not limited to, Physicians at Teaching Hospital Guidelines, and Evaluation and Management Coding Guidelines will be utilized. DMC follows the CMS recognized authoritative sources for coding systems i.e., Coding Clinic published by the American Hospital Association for ICD-9-CM coding and CPT Assistant published by the American Medical Association for CPT coding.

IV. Procedure:

- A. **Notification and Entrance Conference:** OCAS will notify the CPMP-UPB and UHB Department and/or Division approximately ten (10) business days prior to the actual start date of the assessment/audit.

The audit will start with an Entrance Conference, at which time OCAS and the Department will:

- Review the Audit Policy and Procedure (P&P)
- Review, revise and/or confirm the departmental clinician data base
- Submit the audit sample selection (The medical records are to be provided to OCAS for audit within ten (10) business days.)

The attendees at the Entrance Conference shall include an OCAS representative, the Department Chair/Chief, or his/her clinician designee, the responsible Departmental Administrator, and a

representative from the Billing Department and/or Third Party Billing Service. In the event that someone cannot attend the Entrance Conference in person, an arrangement shall be made by the responsible Departmental Administrator for such person to be teleconferenced into the meeting.

It is the Department's responsibility to provide space/resources for OCAS' Auditors to review and photocopy the records, when necessary, during the auditing process. If adequate space cannot be provided, the source documents (medical records, etc.) will be signed out and brought to OCAS for review. All records will be returned to the respective Departments within 48 hours of receipt.

B. Sample Selection Methods:

1. Retrospective Audit Sample Selection from Electronic Media: For Departments that utilize Athena as their billing vendor, OCAS will generate a "billed file" via Athena as described in letter "b." below. For the Departments that utilize an outside third-party billing services (Non-Athena Billing Departments), OCAS shall notify the CPMP-UPB / UHB chairperson, administrator, internal biller or billing service to provide the following data:

- a. The current list of all clinicians billing for services for the year that is under audit.
- b. A complete "billed file" for all billing clinicians for the prior three-month period. This "billed file" must be segregated by clinician in alphabetical order and include the following data fields:
 - Patient name
 - Medical record or account number
 - Date of Service
 - Diagnosis Codes
 - CPT Codes
 - Modifiers
- c. The OCAS auditor(s) shall select the sample from the "billed file" and provide the sample selection to the Department Administrator and biller at the aforementioned Entrance Conference.
- d. The CPMP-UPB / UHB administrator shall retrieve the selected audit sample with the associated medical records, Encounter Forms, and other pertinent documents, and provide such to the OCAS' auditor(s), generally within ten (10) business days.

2. Prospective Audit Sample Selection from Electronic Media: OCAS shall notify the CPMP-UPB / UHB chairperson, administrator, internal biller or billing service of the following procedure:

- a. The CPMP-UPB / UHB administrator/biller shall put a "**Bill Hold Status**" in the System on all **claims** for the Clinician to be audited by OCAS' Auditor(s).
- b. The clinicians' "Bill Hold" file shall be generated.
- c. The OCAS auditor shall select the sample and provide the sample selection to the CPMP-UPB / UHB administrator/biller within one (1) business day.
- d. The CPMP-UPB / UHB administrator shall retrieve the selected audit sample with the associated medical records, Encounter Forms, and other pertinent documents, and provide such to the OCAS' auditor(s).

- 3. Audit Sample Generated from a Manual Batch Process:** This type of audit sample selection results is a prospective audit. (Prospective of billing.) In general the procedure will be as follows:
- a. OCAS shall notify the CPMP-UPB / UHB administrator and CPMP-UPB / UHB billing service for the Department that at the end of each business day, an OCAS auditor(s) will meet with the administrator or designee.
 - b. The OCAS auditor shall review the batched Encounter Forms for the current date and select patient encounters/visits to audit.
 - c. The CPMP-UPB / UHB administrator will retrieve the associated medical records and other pertinent source documents for the selected Encounter Forms and issue the records to the OCAS auditor(s).
 - d. The OCAS auditor(s) shall provide an audit sample selection list, which will serve as an "Out-Guide" of the cases selected. This audit sample selection list shall be given to the CPMP-UPB / UHB administrator in exchange for the Encounter Forms and medical records.
 - e. The CPMP-UPB / UHB administrator should place the audit sample selection list of the cases selected with the day's batched encounter forms, and transmit such to the internal biller or billing service. This will alert the billing service of the following:
 - OCAS is auditing the records and thus the selected audit sample is on "Bill Hold Status".
 - The Service will receive the Encounter Forms in a subsequent batch.
 - f. OCAS auditor will audit the Encounter Forms against the documentation in the patients' medical records and proceed with the normal audit course.

C. Audit:

- 1. Non-Response to Record Request:** In the event that a requested patient medical record (with necessary source documents) is not provided by the clinician/Department/Division, OCAS will consider such non-response as absent documentation and deem the service/procedure, non-billable and thus a compliance element exception. The CPMP-UPB / UHB Department/Division are required to immediately correct the claim to reflect the audit finding(s) and resubmit such to the payer.
- 2. Audit:** Fieldwork is initiated.
- 3. No Compliance Element Exceptions Identified:** Records audited that do not appear to result in any compliance element exceptions will be returned to the CPMP-UPB / UHB administrator and will not necessitate further communication between the CPMP-UPB / UHB administrator or designee and OCAS.
- 4. Compliance Element Exceptions are Identified:** Records audited that appear to result in potential compliance element exceptions will proceed as follows:
 - a. OCAS will request a clarification meeting with the clinician.
 - b. For agreed upon compliance element exceptions, the clinicians' Compliance Element Point Value will be scored accordingly. The CPMP-UPB / UHB Department/Division are required to immediately correct the claim to reflect the audit finding(s) and resubmit such to the payer.

- c. For cases that appear to be down-coded; (Best Practice Element Exceptions) OCAS will alert the clinician and document such in the Department/Division Audit Report, thereby, enabling the clinician the opportunity to re-bill the apparent missed revenue.

5. **Non-Response to Request for Clarification Meeting:** In the event of non-response to an OCAS request for a clarification meeting, OCAS will finalize the audit of the medical record utilizing the OCAS determined compliance element exception results. The CPMP-UPB / UHB Department/Division are required to immediately correct the claim to reflect the audit finding(s) and resubmit such to the payer.

D. Audit Exit Conference:

Upon the completion of the audit OCAS will schedule an Exit Conference to review the overall findings and implications. The attendees at the Exit Conference shall include an OCAS representative, the Department Chair/Chief, or his/her clinician designee, the responsible Departmental Administrator, and a representative from the Billing Department and/or Third Party Billing Service. In the event that someone cannot attend the Exit Conference in person, an arrangement shall be made by the responsible Departmental Administrator for such person to be teleconferenced into the meeting.

E. Audit Report and Format:

1. **Audit Report:** The Department/Division has ten (10) calendar days from Audit Report issuance date to submit to OCAS a written comment and/or dispute the audit results. If at the end of the ten (10) calendar days no written comments and/or disputes are received by OCAS the audit results/report are considered final. The CPMP-UPB / UHB Department/Division are required to immediately correct all claims to reflect the audit finding(s) and resubmit such to the payer. Non-compliance with the resubmission of the claim(s) may result in billing suspension and further disciplinary measures.
2. **Format:** The format of the report includes a narrative providing information on the implications of identified exceptions. The attachment format is as follows:

Attachment A: The purpose of this attachment is to provide each clinician case specific individual audit results. The results are segregated into two sections: the Compliance Elements Exceptions section and the Best Practice Elements Exceptions section. When exceptions are identified in the Compliance Elements section, a point value will be applied. Compliance Elements Exceptions receive various point values based on the severity of the exception. The implications of the Compliance Elements Exception Point Value (PV) Scores are as follows:

AUDIT ELEMENT LEGEND		Point Value
A	No Documentation for Service/Procedure Billed	6
B	PATH Violation	6
C	E&M Service Up-coded by One Level	2
D	E&M Service Up-Coded by Two or More Levels	4
E	Incorrect E&M Visit Type/Category Resulting in Reimbursement Increase	3
F	E&M Consultation Requirements not Met	3
G	Incorrect Procedure Code Resulting In Reimbursement Increase	3
H	Procedure CPT Code Unbundled Resulting in Reimbursement Increase	3
I	Incorrect/Missing Modifier Resulting in Reimbursement Increase	1
J	Documented Diagnosis not Coded or Truncated (Lacking Specificity)	0
K	Documentation in the Medical Record does not Support Diagnosis Code Assigned	0
L	E&M Service Missed or Down-coded One or More Levels OR CPT Procedure Missed Resulting in Reimbursement Decrease	0
M	Incorrect/Missing Modifier Resulting in Decreased or No Reimbursement Impact	0

Total PV Between 0 – 11: Audit is complete.

Total PV Between 12 - 15: Clinician education and an additional/second audit sample selection are required. The clinician must meet criteria for “Total PV between 1 – 11 at the end of the audit. Identified compliance element exceptions require claim resubmission to the payer. OCAS will notify the clinician, Department Chair/Chief, his/her clinician designee, the responsible Departmental Administrator, and a representative from the Billing Department and/or Third Party Billing Service of this result and requirement.

Total PV of 16 and Over: Billing is suspended. (Identified compliance element exceptions require claim resubmission to the payer.) Clinician education and a subsequent audit of patient medical records, (prior to billing), are required. Thereafter, an additional sample is audited. When / if the clinician consistently scores a PV between 1 – 11 the audit is complete and billing shall be reinstated. The clinician, Department Chair/Chief, his/her clinician designee, the responsible Departmental Administrator, and a representative from the Billing Department and/or Third Party Billing Service will be notified of this result and requirement.

Audit Protocol for “additional/second audit reviews”

In an effort to ensure clinician understanding of and compliance with applicable documentation standards, OCAS will provide additional audit assistance. This assistance will be limited to no more than three (3) reviews. The additional/second sample review is review #2; and if required, OCAS will perform a third review. If the third review reveals a PV score of 12 or higher, the Department/Division must employ a credentialed CPT/ICD-9-CM coder to assume responsibilities for protecting the clinician, and CPMP/UHB from vulnerabilities inherent in inappropriate documentation and billing practices.

When a clinician’s PV score is 12 – 15, a second audit sample will be selected and reviewed per SUNY DMC Policy and Procedure as outlined in Section IV, Procedure: C Audit # 3, # 4a-c of this document. If this review results in a PV score of zero – 11, the clinician’s audit is complete. However, audit results of 12 or higher will result in an additional review, (review #3). If the third OCAS review does not result in the status of “audit is complete”, a credentialed coder must be employed. (See above statement for details.)

When a clinician's PV score is 16 or higher, billing is suspended. OCAS will select and review a second audit sample, per SUNY DMC Policy and Procedure as outlined in Section IV, Procedure: C Audit # 3, # 4a-c of this document. Moreover, the clinician's billing privileges will be on hold until the clinician attains audit status "audit is complete". As stated above, OCAS will perform up to three (3) reviews. When the clinician fails to meet PV criteria, after three (3) OCAS reviews, the Department/Division will be responsible for employing a credentialed coder.

Implications of Exceptions Identified in the Best Practice Element Section:

When exceptions are identified in the Best Practice Element section an error rate will be calculated. This information is provided to alert the Department of the under capture of earned revenue, and/or potential audit exposure. **There are no compliance/audit implications attached to this section.**

Attachment B: This attachment is a comparative chart depicting the Compliance Element point value scores of all individual clinicians audited in the Department/Division.

Attachment C: This attachment is a comparative chart depicting the Best Practice error rates of all individual clinicians audited in the Department/Division.

Attachment D: This attachment describes the potential implications of the Compliance and Best Practice Elements Exceptions.

Attachment E: This attachment is the Department/Division's completion status of the annually mandated HCCS Professional Compliance Training.