Take Your Audit Program to the Next Level

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Which are you?

A. Our auditing team is not always on the same page regarding our program’s purpose, and/or we have different interpretations or applications of coding and auditing guidelines.

B. Our auditing team shares a common understanding of our purpose, and we have worked to develop a policy & procedure to ensure that coding and auditing guidelines are interpreted and applied consistently.
Which are you?

A. I’m not confident I could demonstrate that our auditing program is effective if a representative from a regulatory agency walked into my organization today.

B. I regularly evaluate each element of an effective compliance program and I feel that my organization has strong evidence in place to be able to demonstrate effectiveness.

Which are you?

A. Many of our providers are defensive and are not open to our recommendations. They complain to leadership and I often feel as though I have to defend the audit program as a valuable service to the organization.

B. Our providers are generally engaged and very receptive to our findings and recommendations. They respect the auditing program and see it as a valuable benefit to them and the organization.
Which are you?

A. I have difficulty tracking and trending our auditing program’s progress and/or do not report regularly to leadership.

B. I have a strong method in place to track and trend the progress of our audit program and I regularly report to the appropriate leadership.

Which are you?

A. I often feel as though I stay in “responsive” mode. The payers seem to identify our aberrant billing patterns before we do.

B. Our organization optimizes the use of data analytics. We consistently and proactively identify and address aberrant billing patterns to reduce risk.
Which are you?

A. Our auditing process is strong and our findings are sound, but we seem to have difficulty changing provider behavior. We always seem to have the same “offenders” repeating the same issues.

B. The auditing program is well-supported by leadership. When issues are identified, the organization takes decisive action to ensure that behavior is changed and issues are resolved.

Which are you?

• Mostly “A’s”?  
• Mostly “B’s”?  
• Somewhere in between?
Objectives

• Review the importance of having an auditing and monitoring program in place

• Provide practical tips to take your auditing and monitoring program to the next level in terms of effectiveness and efficiency
  1. Identifying a team purpose
  2. Harnessing Data
  3. Engaging Providers
  4. Improving accountability

THE IMPORTANCE OF AN AUDITING AND MONITORING PROGRAM
Regulatory Overview


Federal Sentencing Guidelines 2008

Affordable Care Act 2010

Elements of an Effective Compliance Program

1. Governing body oversight
2. Compliance resources / personnel
3. Compliance standards
4. Education and training
5. Auditing and monitoring
6. Incentives and disciplinary standards
7. Responding to reported incidents
8. Open lines of communication – anonymous 24 hour hotline
Basic Assumptions

- Healthcare organizations have an auditing/monitoring program in place which includes
  - Audit work plan
  - Reporting mechanism
  - Education
  - Mechanism to correct and resolve errors
Tools

- Identify the “Why”
- Harness Data
- Engage Providers
- Improve Accountability

IDENTIFY THE “WHY”
Identify the “Why”

• What is your team’s purpose or mission?

• Teams that have purpose in their work:
  – Improve productivity and teamwork
  – Achieve higher job satisfaction
  – Reduce turnover
  – Promote higher customer satisfaction

Identify the “Why”

• May not exactly mirror organization’s mission, but should support it

• How does your team define effectiveness?
  – Accuracy / Scores
  – Reduction in dollars over/under billed
  – Engagement
Harness Data

• Data is POWER!
  – Demonstrate effectiveness
  – Track and trend progress
  – Set and monitor goals and metrics
  – Data-mining analytics
Demonstrate Effectiveness

- Detecting coding errors
- Overpayment risk / missed revenue
- Corrective action

<table>
<thead>
<tr>
<th>Provider</th>
<th>E/M Acc Rate</th>
<th>Proc Acc Rate</th>
<th>Total $</th>
<th>Over</th>
<th>Under</th>
<th>Deficiencies</th>
<th>Education Date</th>
<th>Other resolutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Doe, MD</td>
<td>92%</td>
<td>98%</td>
<td>$2,050</td>
<td>$100</td>
<td>$135</td>
<td>Injections, Missing Chief Complaint</td>
<td>4/17/2016</td>
<td>Educated staff on required documentation for injections. Updated EHR template to require chief complaint.</td>
</tr>
</tbody>
</table>

Track and Trend Progress

- Manage provider contracts

Provider History Report – Dr. John Doe

<table>
<thead>
<tr>
<th>Audit ID</th>
<th>Audit Type</th>
<th>E/M Acc Rate</th>
<th>Proc Acc Rate</th>
<th>Deficiencies</th>
<th>Education Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016Q3</td>
<td>Follow up E/M</td>
<td>98%</td>
<td>N/A</td>
<td>N/A</td>
<td>09/26/2016</td>
<td>Provider receptive.</td>
</tr>
<tr>
<td>2016Q2</td>
<td>Baseline</td>
<td>85%</td>
<td>100%</td>
<td>Initial Hospital Care - 99223</td>
<td>05/30/2016</td>
<td>Detailed education regarding history requirements of 99223. Provider receptive.</td>
</tr>
<tr>
<td>2016Q2</td>
<td>Focused</td>
<td>96%</td>
<td>N/A</td>
<td>N/A</td>
<td>2/29/2016</td>
<td>Review of 99205 performed per payer request</td>
</tr>
</tbody>
</table>
Track and Trend Progress

- Measure impact of education or new initiatives
- Better allocation of resources

### Change in E/M Bell Curve Distribution for Dr. John Doe

![Change in E/M Bell Curve Distribution](image)

### E/M Baseline Accuracy Rate Trends for VIP Pulmonary Group, Anywhere, USA

![E/M Baseline Accuracy Rate Trends](image)
**Track and Trend Progress**

- Measure organizational trends

![Trend for E/M Accuracy Rates - Follow Up Reviews for VIP Pulmonary Group, Anywhere, USA 2013 Q4 – 2015 Q4](image)

**Set Goals and Metrics**

- Accuracy rate
  - How many encounters were billed accurately in relation to the total for a given provider, group, or time period
  - Can measure risk
  - Consider how your scoring methodology may impact your accuracy rate
Set Goals and Metrics

• Re-audit rate
  – How many providers require a re-audit in relation to the total number of providers audited
  – Can measure strain on resources or help re-prioritize work plan

Set Goals and Metrics

• Improvement rate for re-audits
  – For providers re-audited in a given time period, how the current accuracy rate improved in relation to the previous audit’s accuracy rate
  – Must ensure group contains the same group of providers for comparison
  – Can measure effectiveness of education or provider engagement.
Data-mining Analytics

- Identifying outliers in CPT code utilization
  - E/M Bell Curves
  - Procedural services
- Modifier usage
  - (i.e. Modifier 25)

Utilization of CPT Code XXXXX by Neurologists of Special Practice
January 1, 2017 – January 30, 2017

Data-mining Analytics

- RVU comparisons

wRVU Productivity Analysis for Dr. John Doe FY2017
Data-mining Analytics

• Time studies
  – Most effective on time-based codes (i.e. physical therapy)
  – Can also be used on non-time-based codes in some cases

Other Considerations for Data

• Data Sources
• Tools for mining data
• Data Integrity
ENGAGE PROVIDERS

Appeal Process

- Results presented to provider in draft form
- Appeals documented at provider education meeting
- Auditor reviews first, if agreement with provider, then no further action necessary
- All others escalated for second opinion
- Response given to provider
- Outcomes logged in database for tracking and trending
Appeal Process

- Ensures no other information available which would support code choice
- Reduces unnecessary claim corrections
- Improves partnership and collaboration with providers
- Improves credibility and accountability of auditors
- Identifies vague areas of internal procedure which require clarification

Provider Satisfaction Survey

- Measure the provider’s perception of
  - The quality, professionalism, and knowledge of auditor/educator
  - The quality and clarity of the feedback and recommendations
  - The value of the auditing program
- How can we improve the process so that it is more meaningful?
Provider Satisfaction Survey

• Use feedback to improve program
• Auditor/Educator accountability (as appropriate)
• Supports effectiveness of program with senior leadership

IMPROVE ACCOUNTABILITY
Improve Accountability - Auditors

- Auditors
  - Standard Operating Procedures Manual
  - Training and Education
  - Audit-the-auditor
  - Provider feedback

Improve Accountability - Auditors

- Standard Operating Procedures Manual
  - Allow your team to participate in creating/revising
  - Increases individual accountability
  - Improves consistency
Improve Accountability - Auditors

• Standard Operating Procedures Manual
  – How work plan is created and prioritized
  – Sample selection and data gathering
  – Interpreting “gray” areas
  – Appeals process
  – Reporting
  – Provider education
  – Correcting Errors
  – Quality assurance
  – Scoring methodology

Improve Accountability - Auditors

• Training / Education
  – How are new team members oriented?
    • Standard Operating Procedures
    • Available tools and resources
    • Communication, feedback, meetings
    • How “success” will be defined
Improve Accountability - Auditors

• Quality Assurance Process
  – BEFORE
    • Define policies and procedures
    • Define realistic but high expectations
    • Define rewards/consequences in advance

• Quality Assurance Process
  – DURING:
    • Auditors should receive feedback through an education session similar to what providers receive
    • Have an opportunity to appeal before score is finalized
Improve Accountability - Auditors

• Quality Assurance Process
  – AFTER
    • Auditors must be able to understand how their results translate to rewards/consequences
    • Feedback should be ongoing and concurrent
      – No surprises at annual evaluation
      – Take action sooner if needed (performance improvement plan)

Improve Accountability - Auditors

• Customer (Provider) Satisfaction Surveys
  – Data is viewed in aggregate (not based on individual surveys)
  – Realistic expectations
Improve Accountability - Auditors

• Customer (Provider) Satisfaction Surveys
  – Was the auditor courteous and professional and well-prepared for the meeting?
  – Did he/she recognize you for what you are doing well?
  – Did he/she provide clear feedback on opportunities for improvement?
  – Were audit findings well-supported with credible sources?

Improve Accountability - Auditors

• Customer (Provider) Satisfaction Surveys (continued)
  – Did he/she satisfactorily answer your questions?
  – Did you feel the auditor truly wanted you to succeed?
  – Would you contact this auditor again with questions?
  – Do you feel the audit program is a valuable service to you as a healthcare provider and to the organization?
Improve Accountability – Providers/Coders

• Initial training/education
  – Sets people up for success
  – Identifies knowledge deficits early on

Improve Accountability – Providers/Coders

• Incentives – reinforce and encourage good behaviors
  – Recognition
  – Rewards
  – Quality bonuses
Improve Accountability – Providers/Coders

- Corrective action – correct and de-incentivize bad behaviors
  - Education / Mandatory CE hours
  - 100% review
  - Peer review
  - Monetary penalties (offset costs)
  - Suspension / Separation

- Performance evaluations
  - Provider contract renewals
  - Coder annual evaluations
  - Can be a powerful accountability tool
Key Takeaways

1. Effective audit teams have a common goal and purpose which drives their actions/activities on a daily basis.

2. Effective audit programs harness data to manage the work plan, track and trend progress, and proactively monitor for aberrant billing patterns.

3. Effective audit programs will ensure quality and consistency through standard operating procedures, auditor accountability, and provider feedback.