



How to Develop an Internal Clinical Coding Audit Process

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Objectives

- Discuss how to conduct an internal coding audit
- Identify processes to setting up an internal coding audit
- Recognize best practices of coding audits

Auditing Defined



- An audit is a methodical examination and review

Being Prepared

- Be prepared for external coding audits by conducting your own internal coding audits to identify any trends or opportunities for improvement.

External versus Internal Audits

- The key to understanding an external audit is to conduct internal audits yourself and educate your staff before the external audits find these issues for you.

Why Internal Audits are Important

- With the increase of external audits on the rise, facilities are finding they are better prepared if they are auditing their coding professionals internally with either their coding manager or a hired coding consultant.

Consultant versus Internal Employee



- Consultant Pros and Cons
 - No ties to current staff
 - Findings of errors would be received easier from an outsider than a peer
 - Costly
 - Budget constraints

Consultant Versus Internal Employee



- Internal Employee Pros and Cons
 - No outside costs
 - Employees may not be receptive to a peer finding their errors
 - Their workload would have to be covered by other employees as they conduct the audits

Internal Audit Process

- Once you have chosen the individual(s) to perform your audit, you will then begin on the process of the internal audit.
 - Determine which coders will be audited
 - Inpatient coders only
 - Outpatient coders only
 - All coders

Internal Audit Process



- Determine the number of records per coder that will be audited (sample size)
 - What percentage of charts will be reviewed per coder?
 - Are only certain charts included?
 - Set your parameters before charts are tagged for review
 - Focus on problem-prone, high-risk, and high-volume areas
 - Auditors should review visits that took place within the last full quarter so negative trends can be identified, errors corrected, and claims resubmitted if possible.

Internal Audit Process



- Inform the employees of the audit and the reason why the audit is happening
- HIM Directors will need to set the stage for any negativity that may arise
- Position the audit as an educational opportunity
- Relate it to team building and overall improvement of the team

Internal Audit Process

- **Tips to Reduce Coder Anxiety**
 - Communicate goals early in the process
 - Position the audit as an educational benefit
 - Let results drive education for each coder
 - Use findings as a tool for improvement
 - Remind coders that no one is perfect
 - Set individual performance goals, include in employee evaluation
 - Establish an appeals process

<http://bok.ahima.org/doc?oid=91927#.WayGHrKGPIU>

Internal Audit Process

- Create a policy and process on how a coder may dispute an auditor's recommendation of changes
- Creating this early and allowing the staff to assist in the creation will work in the HIM Director's favor when issues arise

Getting Ready for the Internal Audit



- The list of items to prepare for and manage during the actual audit is significant. The checklist includes:
 - Auditor access to hospital information systems
 - Work space for on-site auditors
 - Coding summary reports
 - Administrative support for the auditing team
 - Scheduled time for two exit interviews (both executive and coding)
- Having an established auditor checklist and making sure all items are complete before auditors arrive will save valuable time for everyone involved.

Reporting of the Internal Audit

- **Sample Impact Analysis Report**
 - Auditors should present findings in a final report that includes overall findings, including five to 10 financial impact analysis points for each issue. An example based on undercoding of sepsis includes the potential lost revenue.
- **Diagnosis**
 - Situational
- **Situational Analysis**
 - Commonly undercoded. Patient presents with UTI and other complications. Physician documented urosepsis, but coder did not ask for clarification.
- **Auditor Finding**
 - Other symptoms of sepsis were found (e.g., tachycardia, leukocytosis or severe leukopenia, temperature greater than 100.4 or less than 96.8).
- **Impact**
 - Reviewed ____ cases.
 - ____% were miscoded.
 - Potential revenue loss of \$____.
- **Recommendations**
 - Educate coders on other symptoms of sepsis and when it is relevant to query for clarification.
 - Educate physicians on how to document sepsis.

Reviewing Audit Findings & Recommendations

- Taking prescribed medication and following the doctor's orders are often the most important steps in returning to health. Similarly, HIM directors get the most value from their audit investments by reviewing and fully implementing auditor recommendations.
- Findings and final recommendations are usually presented in two steps:
 - exit interviews
 - final reports

FINAL Report



- HIM directors should receive a final report of auditor findings within two weeks following the exit interviews. The report should include targeted recommendations. Findings should address initial goals for the audit, and at a minimum the report should include:
 - A spreadsheet including details from each case listing code, DRG/APC/HCC/etc., auditor, rationale for changed codes, accuracy ratings, and dollar differences
 - Overall findings and trends of the audit, including five to 10 financial impact analysis points for each (see “Sample Impact Analysis Report” on page 37)
 - Recommendations for education and remediation based on audit goals
 - Response to coder rebuttals or appeals
 - Time for conference call to review final report
 - Open-door policy to communicate with auditors on specific cases and questions related to items discussed in the audit (possibly for a limited time)

Implementing Recommendations

- Educate the coders
- Educate physicians
- Track improvement
- Follow-up audit

REREFERENCE

- <http://bok.ahima.org/doc?oid=91927#.WayGHrKGPIU>
- <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/recovery-audit-program/downloads/RACEvaluationReport.pdf>

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Thank You!