Coding in the World of Compliance: the OIG's Perspective

Save to myBoK

by Susan Lemanski

As statistics from a recent survey attest,[1] compliance programs are on the forefront of many providers' agendas. In the wake of compliance program guidances[2] issued by the Office of Inspector General (OIG) of the Department of Health and Human Services, many healthcare providers have devoted attention and resources to developing comprehensive compliance plans.

As that development has progressed, many providers have advanced from the planning stage to the implementation phase. With implementation, it has become readily apparent to most providers that team members with additional specialized knowledge and skills need to be integrated into a compliance program. One of the critical roles that must be incorporated in the implementation of any comprehensive compliance program is that of the coder.

A Special Role

The OIG's recent compliance initiatives have presented a broad array of new challenges and opportunities for coders. Coders' roles have already changed significantly with the development of both voluntary and mandated corporate compliance programs.[3]

While the role of the coder has traditionally focused on revenue enhancement, coders must assume the additional function of quality control. In addition to determining the appropriate codes, coders must search for methods of correcting and remedying documentation errors. As comprehensive compliance efforts progress, coders are likely to be asked to assist in three critical areas of a provider's compliance efforts: auditing and monitoring, training and education, and internal investigations.

Auditing and Monitoring

Perhaps the greatest shift in a coder's job responsibility will be a crucial role in the auditing and monitoring function of a compliance program. Coders can be particularly helpful in this area, because they have a unique intersection of knowledge between medical terminology, record management, and documentation standards. Unquestionably, coders play a key role in determining the validity of the claims processing function that is the foundation of the prospective payment system.

Coders may be involved in either prospective or retrospective review of claims submitted to both federal and state programs, as well as private payers. While the process and procedures of prospective and retrospective review are different, the coder's role remains virtually the same. Certainly there are benefits to each approach. For best results, a representative of the coding staff should be involved in the development of any audit work plan that involves claims review.

In prospective review of claims, coders can identify and correct problems prior to the submission of claims. As the name implies, prospective review allows the coder to take a proactive approach and remedy inappropriate billing patterns prior to submission.

Retrospective review requires a coder to look back in time and review previously submitted claims. This undoubtedly requires more time and resources. However, it also gives the provider the only mechanism to replicate the actual universe of claims submitted to a government or private payer. In a comprehensive compliance program, coders play an important role in both prospective and retrospective review, as well as in the development of audit work plans.

Training and Education

Coders are also likely to play an influential role in training and education. Compliance training is often segmented into general sessions on compliance and specialized training. Because coders are the front-line contact with the Health Care Financing

Administration's (HCFA) contractors, coders often are the most knowledgeable on specific changes in intermediary/carrier policy and procedure.

As a result of this interaction, coders should be involved in the development of any training for the specialty coding services they provide, particularly for specialty areas that have recently undergone substantial changes in coding and payment policy/procedure or areas that have typically created concerns for the organization.

Coders can also be used in an ongoing education program as an informational resource on current HCFA policy and procedure. The OIG's Compliance Program Guidance for Third-Party Medical Billing Companies lists several methods of continuing education on compliance matters.[4] One recommendation for maintaining a constant compliance presence is to publish a monthly newsletter to address compliance concerns. A similar method is to use e-mail or a Web site to develop a column related to compliance with appropriate coding practices. Coders may serve as leading informational resources on any matters pertinent to their responsibilities.

Assisting in Investigations

Coders may also be called upon to assist investigators in response to either an internal or external inquiry. The coder's role in any such inquiry is to help determine the extent and gravity of a particular problem. In this context, the coder may be engaged in retrospective review of the charts associated with the issue of the inquiry.

Claims denial is a particular type of such an internal investigation. Coders should certainly assist in the resolution of all claims denials, to the extent that such denial was a result of improper documentation or coding. As part of this process, coders may also help determine whether a problem is part of a systemic pattern.

Conclusion

In the foreseeable future, the coder's role most certainly involves compliance. Their specialized knowledge makes coders an integral part of the success of any compliance endeavor, particularly in auditing and training functions. Because providers are increasingly relying on coders to provide current, complete information on many of the critical aspects of compliance, coders may also have to expand their knowledge base with additional training in areas that had previously not been warranted. This evolving role will certainly provide new opportunities and interesting challenges in the coming years.

Notes

1. A survey conducted by Opus Communications indicates that 99 percent of healthcare organizations either have a corporate compliance program in operation or contemplate instituting such a program. See "Corporate Compliance Program Survey Results" on the Opus Communications Web site at http://www.opuscomm.com/corpcompliance/survey.html.

2. See 64 Fed. Reg. 4435 (01/28/99) for the draft *Compliance Program Guidance for the Durable Medical Equipment, Prosthetics, Orthotics and Supplier Industry*; 63 Fed. Reg. 70138 (12/18/98) for *Compliance Program Guidance for Third-Party Medical Billing Companies*; 63 Fed. Reg. 45076 (8/24/98) for *Compliance Program Guidance for Clinical Laboratories*; 63 Fed. Reg. 42410 (8/7/98) for *Compliance Program Guidance for Home Health Agencies*; and 63 Fed. Reg. 8987 (2/23/98) for *Compliance Program Guidance for Hospitals.* These documents are available at the Office of Inspector General home page at http://www.dhhs.gov/progorg/oig.

3. Through the use of corporate integrity agreements, the OIG has required providers with whom it has settled a False Claims Act case to implement a corporate integrity program. Corporate integrity agreements are executed as part of a global settlement with the United States government and often require many of the elements contained in the compliance program guidances.

4. See 63 Fed. Reg. 70148 (12/18/98).

Two Decades of Coding Change

Here are some of the industry events that have shaped and will create future roles for coders, as well as influencing the need for qualified coding professionals:

- **1983** -- The DRG system requires accurate coding and record analysis for inpatients. The ambulatory surgery center (ASC) system influences outpatient surgery reimbursement in hospitals and free-standing surgical centers.
- **1987** -- HCFA requires CPT coding for hospital outpatients, creating a need for skills in CPT and chargemaster development mapping services to CPT codes.
- **1989** -- HCFA requires physicians to submit ICD-9-CM diagnosis codes on Medicare claims, creating a high demand for consultants and educators in classification systems.
- **1992** -- The use of Evaluation and Management codes for physician services creates a demand for skilled coding professionals in physician offices. The resource-based relative value scale (RBRVS) is phased in during the first part of this decade, tying physician reimbursement to specific CPT codes for Medicare allowances.
- **Mid-1990s** -- APG systems are introduced as a reimbursement mechanism for outpatient care by selected third-party payers, emphasizing the need for accurate CPT assignment. Also, managed care organizations begin to use fee schedules tied to CPT codes, and knowledge of coding and reimbursement impact becomes crucial to financial success in this environment.
- **1996-97** -- The Health Care Portability and Accountability Act and the Balanced Budget Act introduce compliance and reimbursement initiatives that involve coding. Fraud and abuse are often linked with inappropriate coding practices that result in undeserved payments from the government and insurance companies.
- **Late 1990s** -- The US government sponsors prospective payment systems for home health, skilled care services, and outpatient reimbursement, all expected to be driven by ICD-9 or ICD-10 coding systems for diagnoses and CPT or ICD-10-PCS codes for procedures. CPT modifiers are required for selected reporting with CPT codes for Medicare in preparation for the ambulatory payment classification system, expected to begin after 2000.
- **The future** -- ICD-10-CM and ICD-10-PCS are expected to be required after the beginning of the 21st century.

Susan Lemanski *works in the Office of Counsel to the Inspector General developing the OIG's compliance program guidances and monitoring corporate integrity agreements. Her e-mail address is slemans1@os.dhhs.gov.*

Article citation:
Lemanski, Susan. "Coding in the World of Compliance: the OIG's Perspective." *Journal of AHIMA* 70, no.7 (1999): 48-49.

Driving the Power of Knowledge

Copyright 2022 by The American Health Information Management Association. All Rights Reserved.