

# Fraud and Abuse: What You Can Do

Save to myBoK

*by Sue Prophet, RRA, CCS, director of classification and coding*

During AHIMA's National Convention, HIM professionals convened to network and share practical ideas on issues pertaining to fraud and abuse. While most of the participants worked in hospitals, other work settings, including colleges, consulting firms, and government agencies were also represented. There were no corporate compliance officers in attendance; however, a few participants were employed as auditors or reported to compliance officers. The participants were asked to consider several questions. Here are the results:

If your organization has not yet begun to develop a compliance program, how can you help to get this process started? If your organization's administration doesn't see the need to develop a compliance program (they don't think they are "doing anything wrong"), how can you convince them?

- Perform an internal audit and share the results, including identification of potential risk areas, with administration
- Compare billing patterns with national and regional norms and share any aberrations with CFO
- Share information regarding OIG projects and investigations
- Share material from educational sessions, such as audio tapes from the Convention or videotapes of AHIMA's fraud and abuse satellite conference
- Share copies of the model compliance plan for laboratories and explain the advantages of implementing a corporate compliance plan sooner rather than later (e.g., point out that a compliance plan would be a mitigating factor if the facility is targeted for an investigation)
- Share articles and information from OIG reports showing how easy it is for a facility to become targeted for investigation

How should HIM professionals be involved in compliance program development and implementation? What is their role?

- Auditor/monitor documentation
- Develop policies to support compliance within HIM processes
- Ensure that only qualified staff are performing HIM functions
- Ask leading questions to prompt action
- Provide information to facilitate compliance program development process

From an HIM perspective, what should be included in a compliance program?

- Policies and procedures
- Education of physicians, coders, and others involved in the documentation, coding, and billing process
- Required competencies for staff
- Channel for reporting violations
- Involvement of outside legal counsel

How can you develop a compliance program for your area of responsibility?

- Audit regularly to highlight potential patterns
- Analyze appropriateness of medical record documentation
- Conduct education and monitor forms design to assure appropriate documentation
- Develop policy for internal functions and processes

What are some of the requirements necessary to become a coding compliance manager?

- Coding expertise and experience (including knowledge of ICD-9-CM and CPT coding systems and coding guidelines)

- Familiarity with fraud and abuse regulations
- Chargemaster experience
- Ability to compare medical record documentation with the bill
- Understanding of relationship between coding and billing
- Knowledge of payers' rules (private as well as government programs)
- Familiarity with fiscal intermediary and the way in which claims are processed
- Communication skills
- Human relations skills
- Management skills
- Versatility (broad scope of knowledge, including ambulatory and inpatient coding and billing rules)
- Possession of HIM credential

What are some of the requirements you see as necessary to become a corporate compliance officer?

- Leadership, legal, and financial skills
- Medicare cost audit expertise
- Healthcare administration experience
- Position should be part of upper-level management
- Extensive knowledge of government billing regulations

How can HIM professionals promote their expertise in the compliance arena?

- Promote HIM skills and expertise to others outside department (including upper management)
- Assume leadership roles
- Volunteer
- Serve on committees
- Develop coding policy
- Set an example by developing an effective compliance program within department and then share results
- Demonstrate your expertise by becoming involved in areas that have not been in the scope of your responsibility, such as chargemaster reviews
- Provide summary report to administration of National Convention educational sessions and let them know of your qualifications for a compliance role and your interest in becoming involved

Are HIM professionals receiving adequate training on compliance?

- Generally, the response was "no"
- Department directors are receiving training, but not coders
- Most education has been very recent
- Much of the available information has been too general in nature
- Too much of the available information has focused on the financial side
- Information coming from Medicare does not get to HIM department or ancillary services
- Guidelines on document retention (e.g., laboratory) are not consistent with timelines for government audits and investigations, resulting in loss of documentation supporting medical necessity

What types of standards would you develop within your department?

- Ethical coding compliance included in job descriptions
- Each coder's work audited periodically
- Education and training (some organizations currently have no budget for education)
- Regular internal in-services for coders
- Coding references must be readily available
- Communication between business office, coding staff, and ancillary departments
- Weekly meetings for coding staff
- Record completion (better standards needed to assure complete, accurate documentation is available at time of coding)
- Centralization of ambulatory records

- Tracking of test results

What monitors would you employ to ensure accuracy and compliance?

- Record completion (both inpatient and outpatient)
- Proper documentation of physician orders
- Internal process to review coding
- Focus pre-billing review of certain DRGs
- Pre-billing review of majority of Medicare cases
- External audit at least twice per year (not a DRG optimization review, but a comprehensive review of coding accuracy)
- Adequacy of education and training of staff
- Periodic verification that necessary reference materials are available and up to date
- Chargemaster audits involving HIM department

Would you recommend auditing the HIM department internally or would you recommend use of an external auditing company to ensure objectivity? How often? What should be audited?

- Both internal and external audits conducted
- External audit conducted twice per year
- All coding (inpatient and outpatient) included in audits
- Both random and focus audits should be conducted
- Audits of coding not performed in HIM department (e.g., chargemaster) should be included

How would you interact with billing, medical staff, and admitting to ensure compliance throughout the cycle of the medical record?

- Regular meetings
- Conduct audits to ensure level of care billed matches documentation
- Make sure that patient status changes (inpatient, outpatient, 23-hour observation) match physician's orders
- Conduct in-services (e.g., billing staff can educate coders on payer requirements, coders can educate billing staff on coding process and why codes cannot be changed, admitting staff can be educated on levels of service and meanings of various abbreviations)
- Work together to ensure reason for diagnostic test is obtained from physician before test is performed
- Work together, along with ancillary departments, to resolve conflicting record retention guidelines

What are some potential risk areas for fraud?

- Coding issues and "gray areas"
- Maximization (i.e., difficulty separating legitimate optimization from illegitimate maximization)
- Poor communication between billing and HIM departments
- Lack of education and training, particularly in billing department (e.g., billing department changing codes for reimbursement purposes)
- Lack of emphasis on accuracy of outpatient coding due to insufficient staffing levels in HIM department
- Managers have insufficient coding expertise to know correct answers to coding issues or to recognize bad advice
- Lack of physician education
- Poor documentation, particularly in outpatient records

How can you evaluate your risk areas?

- Audits (should encompass all areas, including documentation, DRG assignment, billing)

How can you evaluate your risk of being targeted for an audit or investigation?

- Look at DRG outliers
- Look at changes in case-mix index
- Analyze unusual billing patterns

What should you do if you identify inappropriately billed claims during an internal evaluation?

- Return overpayments to respective payer(s)
- Examine internal processes and implement process changes or other corrective actions to prevent recurrence
- Make sure codes cannot be changed by billing or finance staff

As a health information management professional, you may wish to share this information with your superiors or with your facility's compliance officer. In demonstrating your level of knowledge and commitment to compliance, you may be called upon to participate in related activities or to serve on the committee for establishing a compliance program.

Demonstration of your knowledge of coding and billing regulations will only enhance your value and potentially provide you and your department with opportunities for new areas of responsibility in ensuring facilitywide compliance.

---

**Article Citation:**

Prophet, Sue. "Fraud and Abuse: What You Can Do." *Journal of AHIMA* 69, no. 1 (1998): 68-70.

---

Driving the Power of Knowledge

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