Going Monthly: Making the Case for Consistent Coding Audits

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By Lisa Crow, MBA, RHIA

Monthly bills. Monthly lunch meetings. Monthly delinquent medical record report. So many tasks occur once a month. But monthly external coding audits? Isn't once a year enough? No, says healthcare provider organizations.

Butler Memorial Hospital in Butler, PA, and dozens of other nationally recognized hospitals all rely on external monthly coding audits to ensure consistency, develop coders, and comply with new coding guidelines. From five records per coder to 100 targeted cases every 30 days, more provider organizations are implementing monthly external coding audits. This month's Code Cracker blog explores why.

Bigger Audit Investment Equals Greater Coding Return

Moving from an annual external coding audit program to an ongoing monthly review increases costs for healthcare provider organizations. But monthly audits also yield a stronger return on investment. Moreover, audits can be customized to address the organization's specific needs—which usually vary from month to month. Hospitals report the following benefits of conducting monthly coding audits:

1. Consistency

Outsourcing monthly coding audits helps organizations avoid gaps and lags in compliance programs. "We tried to conduct monthly coding audits using our internal staff, but vacations, sick time and volume spikes always sidetracked our plans," says Christel Chuderewicz, RHIT, CCS, CCDS, director of HIM/Coding & Auditing at Butler Memorial Hospital. Using an external auditor ensures organizations maintain a consistent, solid compliance program despite staffing fluctuations or conflicting priorities.

2. Coder Development

Monthly coding audits catch bad habits before they become engrained or multiply. Timely coder feedback provides more real-time learning opportunities for the entire coding team. Even experienced coders are new to ICD-10 and may not be knowledgeable about a specific diagnosis or procedure code.

Such was the case at Butler Hospital when the organization began performing transcatheter aortic valve replacement (TAVR) procedures in late 2016. External coding audits of these cases validated hospital coding was accurate to avoid repetition of mistakes across hundreds of procedures—which could have occurred with quarterly or annual external coding audits.

3. Compliance

New American Hospital Association (AHA) Coding Clinic updates are released every quarter. Monthly audits ensure coders correctly apply new guidelines as they come out and are being applied correctly.

4. Clinical Documentation Improvement (CDI)

Even though monthly coding audits are performed retrospectively, they provide a small glimpse into areas for clinical documentation improvement. For smaller organizations that lack weekend CDI coverage, monthly coding audits can review missed cases and provide valuable feedback to the CDI director or other appropriate manager.

Early Identification Delivers Best ROI

Incorrect coding leads to increased risk—experienced as lost revenue from denials or missed opportunities due to undercoding. In addition, risks arise when increased reimbursement is not supported by provider documentation due to an erroneous code assignment.

Organizations reduce risk through strong, consistent coding compliance programs fueled by monthly coding audits. Early identification of coding and documentation problems can resolve issues sooner rather than later to expedite improvement for all coding and revenue cycle stakeholders.

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