Physician Office Billing Compliance Program

by Sue Eisenhauer, RN, ART

Physician offices try to adhere to the coding and billing guidelines as defined by Medicare. However, claims to commercial insurance carriers frequently are not handled as precisely. The passage of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) has brought to our attention the need to assure that the billing process from physician offices and clinics adheres to correct coding and billing standards for all third party claims. HIPAA gives the Department of Health and Human Services (DHHS) and the Office of the Inspector General (OIG) the authority to review all third-party claims for possible fraud or abuse. The failure to bill correctly (even without malice) and the failure to provide supportive documentation can result in significant penalties to the physicians involved as well as the individuals within the organization who have any knowledge of potential fraudulent coding and billing activities.

Goal

The goal of a billing compliance program is to eliminate coding and billing errors that will:

- reduce the risk of a charge of fraud
- create a more accurate accounts receivable (A/R)
- provide a resource for office staff to alert them to potential problems in billing
- identify system problems that can be changed through physician and staff education

Establish Authority and Reporting

The first step in implementing a compliance program is to obtain a resolution from the administrator or governing board of the clinic to conduct an in-house chart review and confirm that the documentation in the patient's record supports the billed service. Statistical reporting of the program results should be presented to the governing board on a regular basis. The billing compliance manager should work with legal counsel to assure that problems that are identified will be "privileged." If not, the billing compliance program could be used against you in a court of law. The billing compliance manager must be given the broad authority to correct any coding and billing problems that surface. The billing compliance manager position will provide a recognized person within the group for the clinic staff to discuss questions they may have with regard to correct coding and billing practices.

Develop a List of Items to Review

The second step is to develop a systematic plan of review. It is more important to zero in on a few specific items for review and develop a plan of action to correct any inconsistencies than to review every possible billing problem that exists within your organization. For instance, my facility reviews a specifically identified CPT code each month. The items to be reviewed are determined through Medicare medical policies, bulletins provided by the Iowa Medicare carrier, the current Iowa Medicare review plan, claim denial analysis, and analysis of the facility's high volume/high dollar CPT codes. The combination of all these resources is the basis upon which the facility billing compliance manager develops a list of services for review that would have the greatest impact on the clinic if claims were audited.

The list of CPT codes to be covered by the review plan should be presented to the clinic physicians to make them aware of what will be reviewed. It helps to inform the physicians in advance that a review is planned so they understand that a method to improve the validity of billed services is in development as a protection for them against charges of fraud and abuse. Also, we try to use the terms "review plan" and "review" rather than "audit" when describing the billing compliance program because it develops a mindset of an educational process with the physicians and staff, rather than a threat.

Exhibit A

Report of Medical Record Review			
Doctor:		**Date of Report:**	
Patient History $	**CPT Billed**	**CPT Documented**	**Change +/- or NC**
Comments:			
Reviewer:	**Report Filed:**		

Develop Review Criteria and Reporting Forms

Rather than "reinventing the wheel," the review criteria can be developed by adapting the Medicare medical policies that are provided by your state Medicare carrier. If a claim can pass an audit of a Medicare medical policy, it will probably hold up under review by any other audit group. Using the Medicare medical policy as the basis for the review criteria also has the benefit of educating physicians and staff of the standards required in billing Medicare for provided services.

Data entry errors are billing errors and need to be included in the review process. The account, patient, and date/site of service billed, CPT code, and ICD-9-CM code must correspond correctly to the patient's documented diagnosis and service description.

Criteria and report forms can be generated using a computer with spreadsheet software. Each chart reviewed should have an individual report form. Also necessary are summary report forms for each individual physician, report forms for the governing board, and monthly cost of review report forms (See Exhibit A for a sample physician summary report). For example, at my clinic each separate CPT code that is reviewed requires about 350 charts, so I also use a master review form to show the number of reviews that have been performed to date.

Train Staff to Perform Review

Key clinic staff members can be educated to perform the chart review. The confidentiality and the value of the review process should be stressed during the initial training of staff and physicians. Any staff involved in the medical review program should sign a statement of confidentiality (See Exhibit B for a sample statement of confidentiality). The review criteria should be discussed in detail and time should be spent doing practice review both individually and as a group. A staff member from the patient accounts department can be trained to select the charts for review from a computerized list and complete the initial portion of the accounts receivable review. Staff members with a clinical background can be trained in documentation review. All work that is performed for the billing compliance programs should be assigned to a specific cost center.

Select the Medical Records to Review

The records to be reviewed can be selected from a computerized report that has been developed to cover specific services billed in a defined time period. My facility employs a stratified random process of chart selection. We review 10

charts per physician per audit criteria, selecting Medicare patient charts if possible and other third party payers as needed. The clinic has a unit record for each patient that is filed in a central area. The records selected for review are signed out to the Medical Review Program Staff.

Exhibit B

Statement of Confidentiality
Medical Review Program

I understand that the information that I will be exposed to while working on the Medical Review Program is confidential and the property of the Clinic. I will not discuss the information or the review process with others either within the Clinic or outside of the Clinic, now or at any future date. If I have any questions about the program and my responsibilities or review findings, I will discuss them with the Billing Compliance Manager, the Governing Board or the Administrator of the Clinic.

Signed:

Date:

Conduct the Review

Each chart is reviewed and the audit criteria form completed. All patients, physicians, and reviewers are identified by number to avoid any inappropriate release of information. All charts that fail to meet the review criteria are copied and reviewed by a staff physician. We try to review conservatively, as it is an educational process for the physicians. If a chart is identified with a significant error, it is reported to the governing board who contacts the physician so that immediate corrective action can be taken. Each month is dedicated to reviewing a specific CPT code.

Report Review Findings to the Governing Board and Physicians
Statistical reports and graphs are provided to the governing board at specific time intervals. Each physician should receive a personal report of the review results, personal copies of charts that failed to meet the review criteria, and a copy of the applicable Medicare medical policy. Billing errors should be reported to the patient accounts supervisor. All reports should be filed with an attorney.

Determine Areas of Improvement

The final step in the billing compliance process is to develop a corrective action plan. It is the responsibility of the billing compliance manager to meet with the physicians and discuss the review findings either through small group or individual meetings. Some of the actions that have been taken at Medical Associates include:

- Making changes to the encounter forms to improve the data entry process and alert physicians and staff to a medical policy that applies to a CPT code
- Holding small group and individual education sessions to discuss the documentation requirements of specific CPT codes
- Educating clinic staff in the value of immediately filing reports in patient charts
- Educating physicians in the importance of selecting a CPT code that links to an ICD-9-CM code which will indicate the medical necessity of the service provided
- Creating a Medicare medical policy book for each physician office as a reference resource for required coding and documentation elements for specific CPT codes

Conclusion

A billing compliance program can be developed utilizing in-house staff. It can create an accurate accounts receivable that will withstand an audit and reduce the risk of charges of fraud and abuse to physicians. A clinic resource of a billing compliance manager/program that can be responsive to clinic staff may prevent a charge of fraud and abuse by a member of your own staff. (See Exhibit C for an audit criteria form).

Exhibit C

Chart Review: Potassium **Patient History Number** **Name:** **Billed Date of Service:** **CPT Code Billed:** **Documented Indications for Test/Service**	**Date of Review:** **Reviewer:** **Billing Physician Number:** **Physician Comments:**

		ICD-9 Code	Covered ICD-9 Code
	Hyperkalemia (serum potassium concentration higher than normal)	yes	no
1	*Inappropriate cellular metabolism*		
	Insulin deficiency	yes	no
	Hypoaldosteronism	yes	no
	Acidemia	yes	no
	Cell necrosis:	yes	no
	Hemolysis	yes	no
	Crushing injury	yes	no
	Burns	yes	no
	Antileukemia therapy	yes	no
2	*Decreased renal excretion*		
	Patients undergoing dialysis, renal	yes	no
	Patients undergoing dialysis, periotoneal	yes	no
	Hypoaldosteronism	yes	no
	Chronic interstitial nephritis	yes	no

	Tubular unresponsiveness to aldosterone	yes	no
	Chronic renal failure	yes	no
3	*Increased potassium intake*		
	Inappropriate use of salt substitutes or K+ replacement	yes	no
4	*Potassium salts of antibiotics*	yes	no
	Hypokalemia (serum potassium concentration lower than normal)		
1	*Inappropriate cellular metabolism*		
	Lukemia	yes	no
	Alkalemia	yes	no
	Treated megablastic anemia	yes	no
	Familial periodic paralysis	yes	no
	Very rapid generation of cells	yes	no
2	*Increased excretion*		
	Hyperaldosteronism	yes	no
	Renal tubular acidosis	yes	no
	Vomiting or diarrhea	yes	no
	Diuretic overuse	yes	no
3	*Decreased potassium intake*		
	Diet deficient in vegetables or meat	yes	no
	Anorexia nervosa	yes	no
	Clay eating	yes	no
Symptoms in which potassium may be allowed are:			

	Dehydration	yes	no
	Confusion	yes	no
	Hypertension	yes	no
	Arrhythmia	yes	no
	Hyperglycemia	yes	no
Repeat testing:			
	Management or response to therapy	yes	no
	Chronic alcoholism	yes	no
	Chemotherapy induced potassium depletion	yes	no
	Digoxin administration	yes	no
	Adrenocorticosteriod therapy	yes	no
	High dose inhaled beta-sympathomeimetic therapy	yes	no
	Anginotensisn-converting enzyme inhibitor therapy	yes	no
	Potassium sparing/depleting therapy	yes	no
Test Results			
1	Are the test results on the chart?	yes	no
2	Do the dates on the test report agree with the billed date of testing?	yes	no
3	Is the report signed and dated?	yes	no
Coding and Data Entry			
1	Was the test correctly coded?	yes	no
	Matching diagnosis to identified criteria?	yes	no

	Green slipped to Physician for correction?	yes	no
2	Was the test correctly data entered	yes	no
Is Physician Review Required?		yes	no
	Date sent to Physician Review:		

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