

# Taking a Second Look at Audit Data: How to Glean RAC Intelligence for Better HIM Performance

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The mere mention of the words “payer audits” can send even the most confident and capable health information management (HIM) directors into downward spirals of frustration and overload. These feelings are well known to providers who have found themselves forced to tread the murky audit waters, and wondering how long they can stay afloat.

Over the past two years, HIM anxiety has swiftly risen in lockstep with the deluge of new commercial audits and burgeoning record requests. The sheer volume of payer record requests, communication problems resulting from decentralized audit departments, outdated audit tracking systems, and requestor urgency all complicate audit workflows and increase HIM workloads. These growing commercial audit concerns are exacerbated by year-long uncertainty within Medicare’s recovery audit contractor (RAC) program.

A proven antidote for audit anxiety is data. Clean, correct, and timely audit data provide valuable insights for HIM leadership and audit management teams to streamline processes, reduce redundancies, and mitigate audit risk. However, audit data must be centralized and analyzed to alleviate HIM’s audit angst.

This article explores how one organization, the University of Vermont Medical Center (UVMC), ensures audit data integrity and effectively uses audit information as part of an overall audit management program within HIM.

## ABCs of Audit Data

### ASSESS YOUR DATA: GOVERNMENT AND COMMERCIAL

- Are consistent data entry processes, procedures and terms being used?
- How many different denial reasons are used and why?
- What data is missing, redundant or incorrect?
- Where are the opportunities for improvement?

### CONSIDER AUDIT SPECIALISTS

- Develop deep audit knowledge
- Focus on audit data integrity
- Produce actionable executive reports
- Drive ongoing process improvement
- Collaborate with all stakeholders

### BOOST YOUR PROGRAM: 4 STEPS

- STEP 1:** Clean up the data
- STEP 2:** Centralize the function
- STEP 3:** Learn the process
- STEP 4:** Expand educational outreach

“If you lose the integrity of your data, you risk losing clinician respect and participation in the audit process, including appeals. Faulty data creates mistrust and leads to physician disillusionment. Consistency is a key component to effective audit data analysis, HIM improvement and physician involvement.”  
Carolyn Tice, CPC, CEMC, Release of Information Quality Coordinator,  
UVM Health

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## Three Steps to Cleaner Audit Data

HIM and audit leaders looking to glean intelligence from their historical audit data must begin by ensuring all audit data (governmental and commercial) are clean, accurate, and correct. In many organizations, audit requests are received and fulfilled across multiple departments and in a variety of technology applications, including Excel worksheets. This traditional

approach leads to data errors, redundant processes, and unreliable audit data analytics. The old adage “garbage in, garbage out” remains relevant even today.

At UVMC audits had been received and processed by multiple departments and across numerous provider locations. Because audit data was handled differently each time, there was little consistency or data continuity. Three steps were taken to clean up data and streamline the audit management process.

### **Step One: Clean Up the Data**

Identify each area where auditor requests were received, entered, and processed. At each location, determine what specific data elements were incorrect, redundant, missing, or misused in order to understand where organizational improvements can be made. Know exact reasons for each denial, analyze the errors, and prioritize education and process improvement needs. Steps to effectively clean audit data include:

- Use consistent denial reasons across all audits to report more efficiently and accurately.
- Track denials by physician department or specialty to identify where specific clinical documentation education is needed.
- Correct missing, redundant, or incorrect audit data. This may require manual review and updating until all audit staff reliably enter consistent, correct, and clean audit data.

### **Step Two: Streamline the Process**

Establish consistent terms for entering audit data across all locations. Write consistent policies and procedures for processing requests, tracking appeals, and communicating with audit teams. With a unified set of terms, processes, and procedures, educate every department and care location involved with audits on proper request processing, fulfillment, and tracking.

### **Step Three: Centralize the Function**

Ideally, audits will be centralized and integrated within the HIM function—at least for auditor record-request receipt and fulfillment. This important step reduces data integrity issues going forward since a small team of audit specialists owns the process (versus multiple staff across disparate locations). A centralized audit process also reduces technical denials, identifies duplicate requests, and ensures cleaner audit data for more precise audit analytics.

These three steps establish a strong platform for audit management while also reducing overall administrative burden and cost. Education is then used to reinforce and maintain the new audit processes.

## **Expand Educational Outreach**

Once reliable data is analyzed, HIM directors and audit teams should share knowledge with their teams to smooth audit performance and optimize reimbursements. Points of focus should include the current state of governmental and commercial payer audits, the latest statistics, newest audit types, and any recently announced program changes.

The more audit knowledge an organization can get, the better. Use analytics to trend and proactively target likely areas of future audit focus in the coming months and year. Audit data define initiatives for clinical documentation improvement (CDI), physician education, and coder education while also formulating new strategies to make the most of audit software databases. Continual process improvement should be the goal. Once organizational trends are identified, the journey towards process improvement and more positive audit outcomes is underway.

Departments that should receive ongoing audit education and communications include:

- Compliance officers and specialists
- Release of information staff
- Department directors and supervisors
- Patient financial services (directors/managers of billing departments)
- Chief financial officers

Dedicated audit staff should be current with audit updates, the most common audits occurring today, additional documentation request (ADR) volumes, and national trends. Finally, it helps all team members to remember they are not alone, and can achieve more together than the sum of their parts. Introducing the role of audit specialist is a next step in the evolution of a best practice audit program.

## Centralize Audit Know-How

Effective audit team members shift to audit specialists over time. These specialists focus on deepening their audit knowledge in areas such as technical deadlines and changing program parameters. They also learn which audit data is most important to support various HIM functions, and work to uncover audit data integrity issues. Finally, audit specialists serve as key drivers for ongoing process improvement related to government and commercial audits across HIM, denial management, CDI, and audit teams.

The exact number of full-time equivalents (FTEs) required for an effective audit team depends on the size of the organization, audit volumes, and how workflow is designed. For example, UVMC has two FTEs for coordinating, tracking, and reporting government audits. The organization uses other department resources for various tasks as needed (e.g., release of information (ROI) specialists, patient account representatives from billing, compliance specialists, case management appeal specialists, coders, and documentation auditors). The other department resources are not needed full-time, but contribute to the audit management process.

In order to be effective, audit specialists must understand:

- The need for a strong audit database, which is absolutely essential to track all sorts of audit data
- The latest volumes, trends, and rules for common governmental and payer audit programs
- The importance of using a standardized tool capable of drilling down data to determine where improvements can be made
- Data integrity issues, which are exacerbated when multiple audit-data sources are used, including home-grown systems
- How to effectively clean up audit program databases
- Tracking and decreasing the number of high-volume denials
- Which data are most important and to whom
- What specific insights can be gleaned from audit data in support of HIM functions
- How to fix reporting issues
- What can be gleaned from audit data
- How combining ROI and audit tracking databases improves practices and maximizes information
- How integrating audit management with HIM improves practices and mitigates financial risk

From a leadership perspective, HIM and audit management should work together with the audit specialist or team to understand not only what is being denied, but why. For example, medical necessity denials could be related to documentation issues. Furthermore, leaders must identify where HIM needs to take corrective action through CDI focus, physician education, and coder education. Directors' expertise encompasses many areas, including types of audits (RACs, MACs, CERTs, etc.) and requests (HEDIS, DRGs, etc.), volume of requests, identity of requestors (legal representative, patient, provider, etc.), dollar values tied to requests, staff costs/collection rates, and the ratio of billable versus non-billable requests.

## Analyze the Audit Data

Audit data integrity and reporting capabilities are top criteria for effective audit management. By using audit data to identify areas for improvement in documentation, coding, and billing, organizations can proactively reduce new denials and future audit volumes. Systems should track and/or report each step in the audit process, including specific status and cases where there are no findings or denials, but money has been taken back. Data integrity and standardization prompt better analytics results as described above. And remember—changed fields and missing data affect other areas of reports and outcomes.

If you lose the integrity of your data, you risk losing clinician respect and participation in the audit process, including appeals. Faulty data creates mistrust and leads to physician disillusionment. Consistency is a key component to effective audit data analysis, HIM improvement, and physician involvement.

## Release of Information Processes

If there is an insourced ROI process, audit teams must track cost, collection rates, turnaround times, DRGs, and types of denials. If outsourcing, this information should come from the vendor. In many organizations, some audit data will be produced by the ROI software while other elements are reported by the audit management application. Knowing where each data element is entered, maintained, and reported out ensures faster analysis and stronger data confidence.

Attaching dollars to data points also helps drive HIM budget and staffing. Select the most important data points to present to the executive team and know what's important to each stakeholder, manager, and staff member. Tracking clean data correlates to actionable executive reports.

## Devil is in the Details

Successful audit management requires the cooperation of many people and departments. The administrative burden is huge—especially once compliance, billing, coding, case management, and more are factored in. Focused audit knowledge through a dedicated audit specialist, or an audit specialist team, has become a must-have for every hospital organization.

Time spent by all the various FTEs and departments on managing audits (government and commercial) should also be recorded and combined to calculate the human resource component of the overall administrative burden. At UVMC, a careful analysis of organization-wide time spent on audits revealed an equivalent of five FTEs for government audits alone.

Recovery audits will increase in both volume and scope as reimbursement models shift from quantity to quality—from hospital admissions to accountable care. Detail-oriented HIM professionals are valuable members of the audit process, driving centralization and ensuring data integrity across all types of audits.

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