

Surviving An Insurance Company Coding Audit

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September 2019

5 Things You Should Do to Survive

- An insurance company coding audit can be immensely stressful. Even though many practices do well, there are cases (some of them you have likely read about in the mainstream news or healthcare journals) involving fraudulent behavior which result in large recoupments due to an overpayment extrapolations.
- Your survival depends on how you react and respond.
- We are going to talk about the 5 most important things you should do when you are being audited. Even better, don't wait for an audit—do number 5 now!

1. Request For Documentation

- The initial insurance company (payer) correspondence provides a glimpse into why your group is being chosen for an audit.
- The most common reason is billing aberrancies; payers run claims data from your practice and compare it to other groups of the same specialty within your geographic area. If your numbers are too far outside the “norm” it signals increased potential for erroneous billing.
- The typical audit includes anywhere between 40-100 records. You will be advised as to how long you have to respond, if any corresponding forms/paperwork must be filled out, and who you should reach out to with any questions or concerns.

2. Assembling the Materials

- **The process of gathering the medical records which pertain to the services in questions should be performed by a staff member with some degree of billing/coding knowledge. A best practice is to have an outside coding consultant, or your healthcare attorney review the information for completeness.**
- **Any instances where required documentation cannot be produced will essentially render that service unbillable and subject to full recovery.**
- **Make sure you leave no stone unturned in your attempt to track down all required information. Once everything is together, submit all materials to the address given in the instructions. Be sure to maintain a complete second set.**

3. The Response

- **It can take anywhere from 2-6 months to get your results on the average. When the results finally arrive, you should receive a written overview of the findings along with any instructions on any next steps, and your rights to appeal and contest the results.**
- **You should also receive a spreadsheet or other line-item rendering of all cases reviewed, codes billed vs. codes supported, and specific commentary related to the same.**
- **Any overpayment associated with claims incorrectly paid should be clearly identified.**

4. Appeals

- It is important to conduct an analysis of the open issues and to determine to what extent the audit determinations are contestable. Ensure that your healthcare attorney and coding consultant have extensive expertise in assisting practices in determining whether there are sufficient grounds to contest the findings, and in preparing a written appeal.
- Upon receipt of an appeal, the payer will revisit the audit considering the counterpoints set forth and make any adjustments they feel are reasonable.
- Once the payer adjusts their results based on your appeal, if you still disagree, there are other options available to continue the case until an equitable resolution is attained.

5. Lessons Learned

- The audit will almost certainly give rise to a heightened awareness of your coding processes and how your providers' document. A robust auditing/monitoring program, can go a long way toward preventing payer audits in the first place.
- There are 2 ways to conduct coding audits ... Proactively or Reactively
- Whatever approach you elect should become part of your overall compliance program. Having an effective compliance program in place is like preventative medicine. You fix a small problem before it grows into a major one.

5. Elements of an Effective Compliance Program

- 1) Implementing written policies, procedures and standards of conduct
- 2) Designating a compliance officer and compliance committee
- 3) Conducting effective training and education
- 4) Developing effective lines of communication
- 5) Conducting internal and/or external monitoring and auditing
- 6) Enforcing standards through well-publicized disciplinary guidelines
- 7) Responding promptly to detected offenses and undertaking corrective action
- 8) Retaliation prevention policy