

Common Audit Triggers

Optimizing Your Revenue Cycle



Your office may be at increased risk for audit depending on its coding practices. Remember that ultimately it is the physician's responsibility, not staff members, to spot inconsistencies in codes before submitting them for billing. Here are some common coding-related triggers to consider when deciding if you should perform an internal audit:

“Coding compliance issues, specifically overcoding, can lead to higher risk and potential audit from Managed Care Payers and the OIG. Performing internal audits will allow you to address issues proactively versus reactively once some else finds a compliance issue.” Steve Pfeiffer, Revenue Cycle Management Director

1. **Increased Denials** — Denials can indicate that your documentation and code sections are out of sync or does not meet Payer requirements.
2. **Higher than Expected Revenue** — Often inappropriate billing practices are first noticed as an increase to the bottom line. If your net income is higher than expected (especially for just a few of your providers) this should be investigated quickly. If it's due to an increase in patients or procedures that is great, but if it is not then over coding should be considered.
3. **E/M Benchmarks Do Not Follow Industry Trend for the Specialty** - If your practice performs the same procedures in the same manner on a similar population of patients as a peer group you should expect to see similar Acuity distribution. If your practice has significantly more level four and five visits you should determine why.
4. **Overcoding** - whether you are coding level five services rather than preventative medicine codes during annual physicals, or overcoding on stable chronic conditions. Are you continually coding at a level four, or continually coding at a level two? Does the documentation of the process really warrant a level three? Does your coding staff routinely tell you the documentation is inadequate for the level of service listed? If you are unsure, you should find out. They are the front lines when it comes to coding and coding compliance. These are patterns to pay attention to and questions to ask yourself.