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Not For Your Eyes Only: *How an Independent Audit Boosts Compliance*

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15 Years of Insurance Company Experience



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About Advize Health

Advize Health

| | | | |
|--|---|---------------------------|--|
| Auditing | Clinical Documentation Improvement | Compliance | Education |
| Modifiers IT Inventory Evaluation and Management | Meaningful Use Medical Necessity HCC/DIG Coding | Documentation Security | Coding Clinical Documentation Cybersecurity Best Practices |

✓ Woman Owned Company
 ✓ 15 Years of Positive Track Record
 ✓ 70+ Employees

FWA

✓ Cost Effective Solutions
 ✓ Clinical and Business Staff
 ✓ Very High ROI

| | | | | |
|---------------------|----------------|----------------|-----------|-------------------|
| Government Programs | Private Payers | Health Systems | Hospitals | Private Practices |
|---------------------|----------------|----------------|-----------|-------------------|

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Advize Health Snapshot

- ✓ Team from all over the country and Industry
- ✓ Clinical (Coders/Auditors) and Business (Project Managers/Data Analytics) Staff

Audit

- Services
- ✓ Cost-effective and efficient medical record review and educational services to help insurance companies recover overpayments
- ✓ Determine areas of FWA
- ✓ Identify inconsistent documentation, clinical records, and claim payment data

- Clients
- ✓ Private Pay, Third Party, Self Insurance, Government

Advisory

- Services
- ✓ Reduce costs, improve processes, and ensure compliance by partnering with providers
- ✓ Hospitals: DRG Audits and Education, ICD-10, Revenue Cycle
- ✓ Provider and support staff education: coding/documentation

- Clients:
- ✓ Provider Practices
- ✓ Hospitals and Clinics

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Our Obsession: Cost vs. Care

Daily Advize Questions: *How could we...*

- ...Innovate and deploy better best practices?
- ...Increase the quality of healthcare?
- ...Save more money?

Cost vs. Care

<https://www.bloomberg.com/graphics/2017-health-care-spending/>

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About Advize Health Healthcare

Health Care Costs for OECD Countries

| Rank | Country | Per-capita spending on health care (\$) | Health care spending as a share of GDP (%) | Government spending on health care (%) | Compulsory/contributory insurance & medical savings accounts (%) | Out-of-pocket costs (%) | Voluntary health insurance (%) | Per-capita spending on pharmaceuticals (\$) |
|------|---------------|---|--|--|--|-------------------------|--------------------------------|---|
| 1 | United States | 9,892 | 17.2 | 26.6 | 22.8 | 11.1 | 39.6 | 1,162.4 |
| 2 | Switzerland | 7,919 | 12.4 | 22.3 | 41.7 | 28.7 | 7.6 | 1,056.1 |
| 3 | Luxembourg | 7,463 | 6.3 | 9.1 | 72.9 | 10.2 | 6.8 | 586.4 |
| 4 | Norway | 6,647 | 10.5 | 74.4 | 10.8 | 14.5 | 0.3 | 501.2 |
| 5 | Germany | 5,551 | 11.3 | 6.6 | 77.9 | 12.4 | 3.1 | 766.0 |
| 6 | Ireland | 5,528 | 7.8 | 69.7 | 0.3 | 15.2 | 14.8 | 684.3 |
| 7 | Sweden | 5,488 | 11.0 | 83.7 | 0.0 | 14.9 | 1.2 | 518.8 |
| 8 | Netherlands | 5,385 | 10.5 | 9.4 | 71.4 | 12.2 | 7.0 | 432.1 |
| 9 | Austria | 5,227 | 10.4 | 30.8 | 44.8 | 17.9 | 6.5 | 632.7 |
| 10 | Denmark | 5,199 | 10.4 | 84.1 | 0.0 | 13.7 | 2.1 | 341.8 |

<https://www.bloomberg.com/graphics/2017-health-care-spending/>

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Only Sure Things

1. Death
2. Taxes
3. Audits



Healthcare touches ALL 3

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Death & Healthcare

- Cancer is the #1 cause of bankruptcy
 - For patients and family
- A faulty healthcare system can result in *death*
- Average funeral cost is \$10,000

| Age Range | % of Total Bankruptcies 2013, Estimated | US Medical-Related Bankruptcies 2013, Estimated | Size of Household | People Living in Households with medical-Related Bankruptcy 2013, Estimated |
|-----------|---|---|-------------------|---|
| 18-24 | 2.3% | 14,618 | 2.41 | 35,229 |
| 25-34 | 18.7% | 120,708 | 2.86 | 344,622 |
| 35-44 | 28.9% | 186,812 | 3.35 | 624,888 |
| 45-54 | 26.4% | 170,875 | 2.81 | 480,159 |
| 55-64 | 15.8% | 102,080 | 2.18 | 222,534 |
| 65+ | 8.0% | 51,719 | 1.76 | 90,767 |

Source: NewWallet Health Analysis

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Taxes & Healthcare

- Handling healthcare cost has changed greatly over the last 5 years.
 - The Affordable Care Act (ACA) mandates that everyone must share in the responsibility for health insurance. Your income **tax** return helps the government monitor your coverage.
- Health Insurance Tax 2018
 - IRS.gov has a page devoted to ACA & Taxes - At a Glance.
 - The chart explains how the health care law affects you.
- Tax Reform
 - Removes ACA penalty, begins 2019 with tax returns filed in 2020.
 - IRS data shows at least 4 million taxpayers paid the penalty for tax year 2016, and at least 5.6 million paid the penalty for tax year 2015.

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Audits & Healthcare

- Quality healthcare is based on accurate and complete clinical documentation in the medical record.
- Medical records are audited to review documentation for quality of care and/or proper billing.
- Should All Office Visits Be Created Equal?
 - Earlier this year, the Washington Examiner published an article blaming bureaucracy for rising healthcare expenditures; reporting that physicians spend nearly 66% of their time on paperwork and EMR maintenance.
 - The recent Trump Administration proposal supports doctors getting paid the same amount for most common services (office visits), regardless of case complexity or patient condition.

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When Were You Last Audited?

- More than 3 years ago
- 2 -3 years ago
- 1 year ago
- Never



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Apart from that, how was the play, Mrs. Lincoln?

- During the 89th Academy Awards, in 2017, there was one major mistake: The erroneous announcement of *La La Land* as Best Picture over *Moonlight*.
- So how could a mistake this major happen on a night watched by some 30 Million Americans? The blame lies with accounting firm PricewaterhouseCoopers, which handles the Oscar envelopes.



<https://www.forbes.com/sites/hatalierobehmed/2017/02/27/the-full-story-behind-the-la-la-land-and-moonlight-oscar-mix-up/#3ec7965b2298>
<http://fortune.com/2017/02/27/oscar-2017-pricewaterhousecoopers-la-la-land/>

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Best Audit Firms

- Fear Not! PwC will continue to oversee the ballots for the Academy Awards (83 years running) despite the *la la snafu*.
- PwC is one of the Big Four accounting firms, which help audit company balance sheets and plan their taxes. The Big Four count most of the biggest companies in the world among their clients.
- PwC alone works for 82% of *Fortune* 500 firms.

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History Audit Firms



- 1896:
 - The State of New York passed a law restricting the use of the title "Certified Public Accountant" to those passing a state examination.
 - The required examination provided accountants with a professional appearance similar to lawyers with the bar examination.
- 1910:
 - Big 8 established and Demolition in 1920s
 - Arthur Andersen - Peat Marwick Mitchell
 - Arthur Young & Co. - Touche Ross
 - Coopers & Lybrand - Price Waterhouse
 - Ernst & Whinney
- 1989: Mergers Big 8 → Big 6
- 2001: Enron
- 2002: Big 4



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What is an Audit?

au-dit / ɒdɪt/ əp
noun
1. an official inspection of an individual's or organization's accounts, typically by an independent body
verb
1. conduct an official financial examination of (an individual's or organization's accounts)
synonyms: inspect, examine, survey, go through, scrutinize, check, probe, vet, investigate, inquire
also: assess, verify, appraise, evaluate, review, analyze, study, take


and then I told the candidate our firm has a great work life balance



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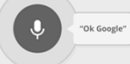
Are You an Auditor?

AUDITING




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"Financial Audit" aka Nap Time



Thanks Google

- A **financial audit** is an independent, objective evaluation of an organization's **financial reports** and **financial reporting processes**. The primary purpose for **financial audits** is to give regulators, investors, directors, and managers reasonable assurance that **financial statements** are accurate and complete.



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Back to Big 4

- The Big Four accounting firms perform almost all of the public firm audits for the entire world.
- 2017 combined: \$134B revenue and 945K People Employed
- 65% of their revenue is derived from financial consulting services concerning regulations, financial transactions, mergers, acquisitions, business strategy, and operations—among other services.
- "The Big 4 work hard. These are not 9-5 jobs. You will be expected to work long hours and may see some 70-80 hour weeks during busy season or at project close."

<https://www.statista.com/statistics/250479/big-four-accounting-firms-global-revenue/>
<https://www.big4careerlab.com/big-4-accounting-firms/>

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Big 4 Auditor

- Burn and Churn
 - Learning a tremendous amount in a short period of time
 - Variety of clients and industries
 - Inherent Leadership
- All-Nighters are Expected
 - Quality and Speed
- Path to Partner
- Don't Get Divorced
- Tools and Resources



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Audit Best Practice - Why


- Independent Audit
 - Competition best practices from a Subject Matter Expert
 - Compliance
- Insight and Observation
 - Taking time for your individual team/organization rather than your clients/services
- Implement Efficiencies
 - Create a plan and execute
 - Points of Improvement

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Audit Best Practices - What

- Testing Controls
 - TODs
 - TOEs
- Data to Final Report
 - Define the Scope
 - Selections
 - Performing the Audit
 - Results - Top Coat
- Completeness and Accuracy
- "Gain Comfort"



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Check In



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Audit Best Practices - How

- Efficient Audit
 - Planning ahead of the audit
 - Focus on most important issues
- Communicate
 - Goals
 - Progress
 - Escalate issues
 - Follow up
- Reduce the Stress
 - YogAuditing



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YogAuditing – Let's Do It



Learn the Audit

1. Education, Care and Quality Improvement Audits
 - Ongoing
2. Risk Adjustment and Medical Record Reviews (MRRs)
 - Ongoing
3. Medicare Advantage Risk Adjustment Data Validation (RADV)
 - Annual
4. Health Effectiveness Data & Information Set (HEDIS) Reviews
 - Seasonal
5. Diagnosis Related Group (DRG) Payment Integrity Reviews
 - Ongoing
6. Five-Star Program (Medicare Advantage)
 - Ongoing

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Education, Care and Quality Improvement Audits

- Being audited is an inevitability, it's just a matter of when, how, and who will be doing it.
- Requested by: Clinic, Provider, Payer
- Audit Objective:
 - Assess provider documentation, educate, improve
 - Evaluation of patient care, strengthen enrollment
- Criteria:
 - Standard Case review (often Evaluation and Management (E/M))
 - Assess high-risk targets/populations
- Preparation:
 - Transcribe all dictated notes
 - Organize patient files
 - Prepare any records from requested patient list
 - Gather any questions you may have encountered


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Why Does It Matter?

HEALTH CARE FRAUD PREVENTION AND ENFORCEMENT ACTION TEAM (HEAT)
OFFICE OF INSPECTOR GENERAL (OIG)

- Start Internally: Compliance Plan



HEALTH CARE COMPLIANCE PROGRAM TIPS
The Seven Fundamental 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 monitoring and auditing.
6. Enforcing standards through well-publicized disciplinary guidelines.
7. Responding promptly to detected offenses and undertaking corrective action.

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Compliance Plan

- How to show you have a successful compliance program?
 - Internal monitoring and auditing
 - Identify and correct errors
- An audit: formal review of compliance
 - Once a year to look at the effectiveness of the compliance program
 - while monitoring is conducted on a regular basis (weekly, monthly, etc.) to confirm compliance is ongoing and to test procedures.
 - An initial step in auditing and monitoring is to determine what standards and procedures apply.
- Annually, OIG and Office of Medicaid Inspector General (OMIG) release work plans, which identify areas of risk they are focusing on.
 - Are any of their focus areas are applicable to your practice and warrant auditing and monitoring?

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Types of Audits to Perform

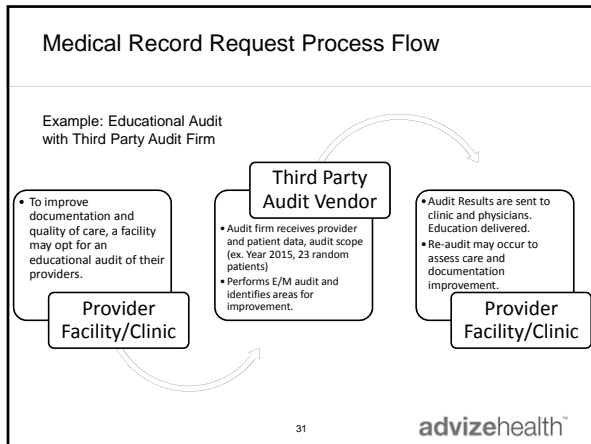
1. Standards and Procedures Review
2. Claims Submission Audit

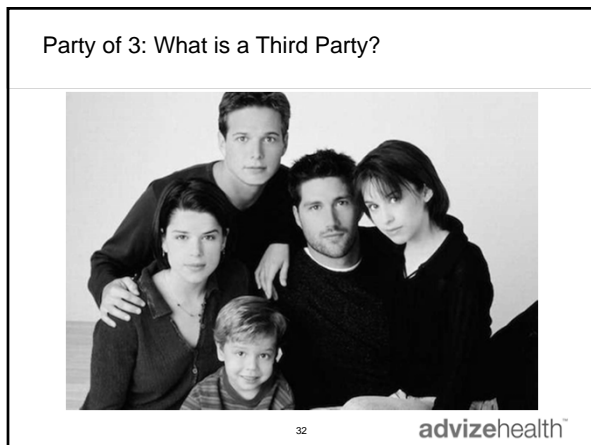


WCGWs:

- History of Practice
 - Learn from issues that occurred previously and watch to make sure the issues are resolved
- Other similar providers are identifying as risks
- State and federal billing, coding, and documentation requirements that are applicable
- Commercial payer policies and understand contracts

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- ### What is an Independent Audit?
- A contractor or hired Auditor is brought on board to:
 - ✓ Complete an examination of firm's finances, operations, and internal controls
 - ✓ Perform an evaluation of medical records and associated documentation to identify fraud, waste, abuse, and non-compliance
 - ✓ Become your Chief Compliance Officer's new best friend
 - Advantages
 - Guidance on proper use of codes/modifier(s)
 - The identification of providers that need additional assistance
 - The expertise of our auditors across providers similar to your practice
 - Improved coding and documentation practices for providers who are receptive to the educational opportunity
 - Consistency with review and provider trending by having the same third party auditor perform the work, year over year analysis
 - Third-party auditor adds credibility for providers
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Selecting a Third Party Audit Firm

- People
 - Understand Team: Person who sells the work isn't the one executing it
 - Meet actual auditors
- Transparency and communication
 - What to expect?
 - Pricing
 - Process
 - Timing
- Industry Expertise
 - Do not learn on your project/understanding of your specialty
 - Do not want generic questions that could apply to every practice
- Questions to ask firm
 - References
 - Example audit reports
 - How do you obtain/receive data for audit

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Case Study

The Need

- A midsize clinic had close to 50% of their claims rejected by commercial plans and required a reduced error rate, more paid claims and proactive audits and education to support their compliance plan.

The Solution

- Advize was retained to audit both existing and new providers to implement best practices around coding and documentation
 - Annual check-ins for providers who perform well
 - More frequent audits for providers who need improvement
- Provide customized, one-on-one education sessions based on audit findings
- Identify areas of additional opportunity (e.g., underbilling)
- Other specialized audits outside of original high-level E/M scope, based on top billed codes
 - e.g., physical therapy, general surgery, ortho. surgery, cardio., pain mgmt., etc.

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Case Study

Process

- Audit 10% of providers each month
 - 25-35 claims
 - » Random
 - Deliver results during education session
- Meet with compliance team quarterly to discuss trends and implement changes

The Outcome

- Education is not just based on the audit results
 - Subject Matter Expert is meeting with provider rather than just a Jr. Auditor
- Financial benefits inherent with better behavior
- Training new providers before subpar coding and billing habits are learned
- Error rate dropped by provider and compared to industry

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Audit Management Process and Tools

Implement tools and processes to drive process efficiencies and cost savings.

Issues Tracker

| ID | Date | Issue | Staff | Resolution | Notes | Updated |
|----|----------|-----------------|----------|-------------|-------|----------|
| 1 | 10/1/18 | ICD-9 to ICD-10 | Jane Doe | Completed | | 10/1/18 |
| 2 | 10/2/18 | ICD-9 to ICD-10 | John Doe | In Progress | | 10/2/18 |
| 3 | 10/3/18 | ICD-9 to ICD-10 | Jane Doe | Completed | | 10/3/18 |
| 4 | 10/4/18 | ICD-9 to ICD-10 | John Doe | In Progress | | 10/4/18 |
| 5 | 10/5/18 | ICD-9 to ICD-10 | Jane Doe | Completed | | 10/5/18 |
| 6 | 10/6/18 | ICD-9 to ICD-10 | John Doe | In Progress | | 10/6/18 |
| 7 | 10/7/18 | ICD-9 to ICD-10 | Jane Doe | Completed | | 10/7/18 |
| 8 | 10/8/18 | ICD-9 to ICD-10 | John Doe | In Progress | | 10/8/18 |
| 9 | 10/9/18 | ICD-9 to ICD-10 | Jane Doe | Completed | | 10/9/18 |
| 10 | 10/10/18 | ICD-9 to ICD-10 | John Doe | In Progress | | 10/10/18 |

Monitor

| Provider | ICD-9 | ICD-10 | ICD-9 | ICD-10 | ICD-9 | ICD-10 | ICD-9 | ICD-10 | ICD-9 | ICD-10 |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 | 10/1/18 |
| 2 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 | 10/2/18 |
| 3 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 | 10/3/18 |
| 4 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 | 10/4/18 |
| 5 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 | 10/5/18 |
| 6 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 | 10/6/18 |
| 7 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 | 10/7/18 |
| 8 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 | 10/8/18 |
| 9 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 | 10/9/18 |
| 10 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 | 10/10/18 |

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Lessons Learned: Points of Improvement

4/30/2018

Provider Name: Dr. John Doe

Review Objective: To review E/M codes to see if documentation provided supports the level of code billed.

Audited by: Jane Doe, CPC

As part of our review of, we would like to offer a quick overview of the findings, overall trends, and/or recommendations:

- We found several instances where the electronic signature on dictated notes were missing.
- There were numerous blanks found throughout the dictated notes.
- When billing 99285, there must be a complete HOS.
- Notes contained illegible handwriting.
- When reviewing outside records, there must be a summary of findings in order to receive credit for the review.

| Allowed Claim Lines | |
|---------------------|---------------|
| 20 | Supported |
| Error Claim Lines | |
| 1 | Not Supported |
| 3 | Undercoded |
| 6 | Overcoded |

30 Total Claim Lines Reviewed
Error Rate: 33%

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Lessons Learned: Points of Improvement

- Provider follow-up**
 - Some providers are difficult to schedule
 - Finding time for the provider in their busy schedule is a challenge
 - Staff may not always be able to join the training meeting
- Group training**

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Training Specialty Groupings

| Group 1 | Group 2 | Group 3 | Group 4 | Group 5 |
|-------------------|--------------------------|--------------|-------------------|------------------|
| Internal Medicine | General/Vascular surgery | Neurology | Pulmonology/Sleep | Podiatry |
| Family Practice | Pain Management | Cardiology | Hospitalists | Physical Therapy |
| Pediatricians | Orthopaedics | Urology | Urgent Care | Ophthalmology |
| OB/GYN | Wound Care | Nephrology | | |
| Endocrine | Oncology | Rheumatology | | |

- New Training Program
 - Groups: Providers in the same training leverage the conversation of the group
 - Education Delivery: In-person or through teleconference for added flexibility
 - Record sessions for staff unable to attend can benefit from the conversation
 - Offer bi-annual webinar to all participating physicians that addresses current error trending and offers opportunity for Q & A with our auditors

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Medical Record Challenges

- Exporting records vs auditing within EHR (view-only)
 - Leverage down to lower-level resources for retrieving records to save auditor time & cost searching
 - Exporting records helps ensure QA auditor is seeing the same thing as the original auditor
 - If record retriever misses a document, there's potential that this will be erroneously reflected in the audit findings
 - Sometimes it's helpful for auditors to be able to see other DOSs for a given patient/provider besides just those in the given audit

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Error Rates



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Client Provider Error Rates vs Industry

- Advize performed a datamining analysis against our datastores and came up with comparison based on past audits of Provider coding.

| to Industry Compare | |
|---------------------|------------------|
| E/M | Industry |
| Supported | 43% 60% |
| Upcode | 46% 13% |
| Downcode | 11% 27% |
| TOTAL | 100% 100% |

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Disclaimer

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Additional Questions/Feedback?

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Focus on Providing Quality Healthcare *Improving Your Revenue One Review at a Time*

Improving Your Revenue One Project at a Time

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