



# Cultivating Coders to Become Auditors

## Introduction

Healthcare organizations want to increase their internal audits for many reasons. Regulatory reporting requirements continue to increase. External audits initiated by government agencies such as the Medicare Administrative Contractors and Recovery Audit Contractors are on the rise. As a matter-of-fact, Medicare audits have increased a whopping 936 percent in the past five years.<sup>1</sup> Emphasis on clinical documentation improvements and the increasing questionable practice of cut-and-paste documentation within electronic medical records requires a close watch to avoid downstream issues that an organization can't afford to have, such as over-coding and under-coding.



We help healthcare organizations improve their bottom line and strategic market position with front line expertise in revenue cycle management, smart software and enterprise-level educational solutions.

Organizations understand that prompt and accurate payments and reimbursements are critical to cash flow. Financial managers understand that government mandates will continue to propel change in the industry, with regulatory initiatives that have contributed to the decline in reimbursement.

For these reasons, conducting inpatient audits on an 'as-needed' basis is just not enough of a strategy anymore. Healthcare organizations are left with no choice but to ramp up their internal auditing plans to make sure that the right types of audits are being done and completed on a regular timeline to ensure accuracy.

However, to conduct more audits means having more auditors. How does an organization staff for this? The choices are clear: 1) incur the increasing costs of outsourcing more audits; 2) recruit and hire experienced auditors, if you can find them; and/or 3) develop and transition your coders to auditors.

This case study discusses one strategy that Parallon Business Solutions implemented when faced with these same challenges.

<sup>1</sup>Roche, E.M., PhD, JD, "Medicare Audits: DRG Downcoding in Hospitals: Algorithms Substituting for Medical Judgment Part I," RACmonitor, Sept. 14, 2016.

## Parallon Business Solutions

Parallon Business Solutions provides business and operational services for revenue cycle management, group purchasing, supply chain, technology, workforce management, and consulting services. The Parallon Business Performance Group (BPG) is the business unit with responsibility for revenue cycle management and HIM.

The HIM Service Centers (HSCs) perform all medical record functions for the acute care and inpatient specialty facilities. The Coding Quality Review (CQR) team performs reviews as a component of the HIM team.

Primary responsibilities for the coding quality reviewers include the following:

- Performing routine pre-bill and retrospective audits on company coders
- Perform ad-hoc reviews
- Validate DRGs, outpatient diagnoses, CPT procedure codes and modifiers
- Collect data during the audit process

## The Challenge

Parallon needed to hire a substantial number of coding quality reviewers in order to not incur the high cost of outsourcing their quality reviews and audits.

The mass hiring that Parallon needed to do would have taken less time if the candidates already had a certificate of completion from an auditing program like Career Step's. They were also looking for candidates who possessed technical and nontechnical skills. The nontechnical skills included critical thinking, effective decision making, solid verbal and written communications, and demonstrated ability to manage conflict. The technical skills that they were looking for in the candidates were not out of the ordinary. They included the following:

- A minimum of 5 years of recent acute care inpatient and outpatient auditing
- Demonstrated proficiency in ICD-10-CM and PCS
- The ability to meet productivity standards
- A passing score on the preemployment technical assessment
- An audit "mindset" that includes but is not limited to critical thinking and the ability to review and apply the applicable coding guidelines

**Experienced auditors are few and far between, and when one is found, the price is high.**

Recognizing that most auditors are not "certified" and are only identified as auditors by previous experience, Parallon first prescreened candidates to see if they were able to demonstrate a knowledge and understanding of the differences between coding and auditing. Many of the applicants interviewed had extensive coding and DRG experience but lacked the breadth of knowledge, experience, and "mindset" required to be a good auditor.

Parallon quickly realized they had to take a different path if they were going to meet their goal of adding auditors to their team. Their first thought was to develop their own coders into auditors, so they set out to develop a "Coder to CQR" career pathway for their internal staff. But first, they needed to find tools that could help them educate and prepare their coders for their new role. Their search did not uncover a ready-made program, however. They couldn't find any existing online educational program that focused on inpatient auditing. Because there was no viable auditing certification program available in the market, Parallon reached out to Career Step to discuss potential options. After outlining expectations and potential curriculum, Parallon agreed to be a beta partner for the Career Step online educational program focused solely on inpatient coding review and auditing.

## Implementing the Solution

Once the course was written and the program was made available to Parallon, two coders and two CQRs were selected to participate in the beta project. The four beta participants came from diverse backgrounds with one having years of

auditing experience, one just starting to work in auditing, and two being strong coders with no auditing experience whatsoever. As a requirement of being a beta partner with Career Step, the participants were responsible for completing each course and providing written feedback.

The greatest challenge Parallon had to overcome during the beta and implementation of the program was dedicating these four resources and committing the 30-40 hours per week for the ten weeks needed to complete the program. All deadlines had to be met for current work load even though they were not fully staffed. It was not easy to manage production when the four beta participants were pulled from their day-to-day job functions. To avoid this in the future, Parallon plans to stagger enrollment for the candidates throughout the year in order to stay on top of their production needs and meet their goals. Furthermore, each candidate will be held to strict guidelines so they do not overlap the next candidate entering the program. For example, deadlines for completion of each module will be set, and workloads will be shifted around to other auditors during the process.

While the beta participants were enrolled in the program, Parallon's CQR management was able to monitor individual progress by utilizing the dashboard developed by Career Step as part of the online course.

## Results and Benefits

Most of the program was a refresher for the two auditors and an “eye-opener” for the two beta participants who were coders.

A coder must ask themselves many questions, such as “what is the principal dx,” or “is there an MCC or CC as a secondary,” or “does the principal procedure make a difference in the DRG”. Truthfully, every coder should be focused on the DRG during the coding process, but the coder often gets caught up in just coding what they see or what is clearly documented in the record and misses the bigger picture—what might impact the DRG and what should be coded to accurately reflect the patient's clinical diagnosis and the care provided during that visit/encounter.

The course brought to light that, as an auditor, you must look at all of the physician documentation and the other clinicians involved in the care of the patient as well as pursue undocumented conditions based on clinical indicators that could result in a change to the coding and impact the MS-DRG.

Another eye-opener was the variety of audits including how to scope one and how the scope determines whether the audit is focused on complete code assignment or not.

The mindset of most coders is to code what is visible or what the physician documents and to not look beyond that. Without proper training and education, this does and will have many impacts, including quality reporting, state reporting, CMS, financial, etc. for the facility or organization. The coders learned the importance of coding and that it is not only for statistical data collection but also for data capture and analysis in general.

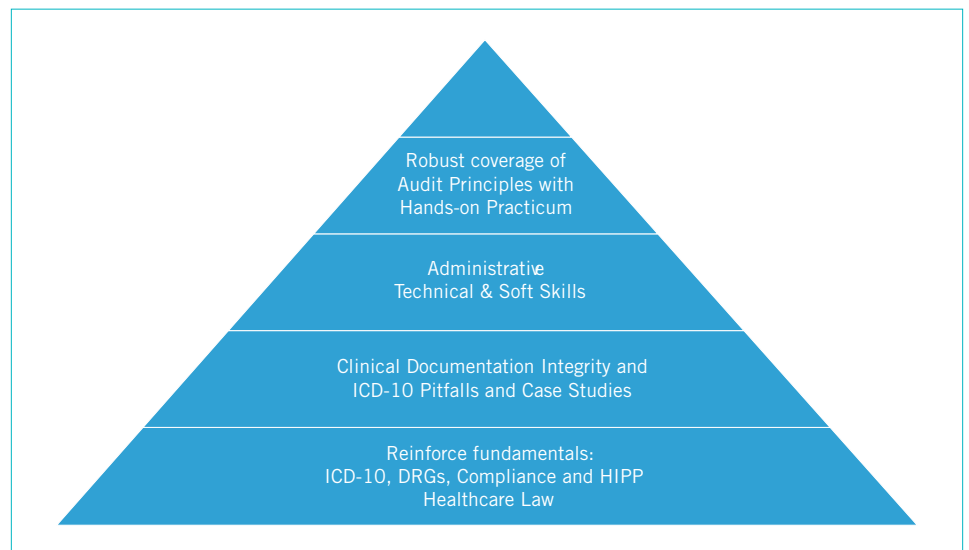
Finally, the challenge that all coders must overcome when becoming an auditor is to think like one by gathering all the facts, applying the correct coding guideline, recognize clinical indicators and treatments, and obtain clarification if all the documentation is unclear!

Going forward, Parallon plans to enroll their audit team in individual courses provided in the Career Step program as needed, such as Documentation Integrity and Audit and Record Review, for continuing education purposes.

## The Solution

The program starts with the basic fundamentals to ensure the coder has a solid understanding of ICD-10-CM and PCS skills and DRG reimbursement. [See Figure 1]

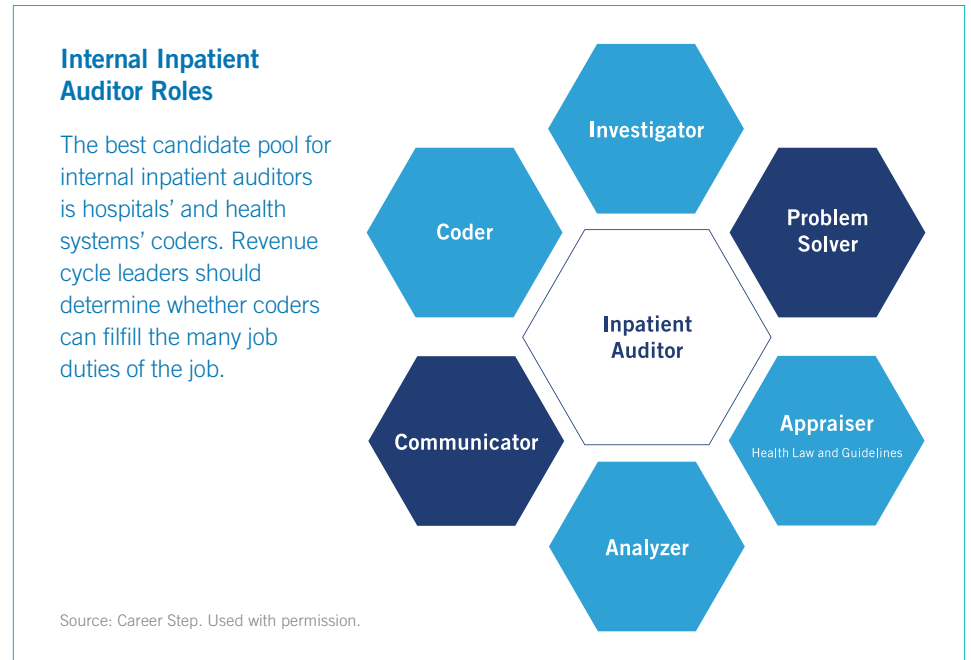
Figure 1



Knowing that auditors need to capture a lot of data in spreadsheets, a course in Advanced Microsoft Excel is included. Because auditors are responsible for

summarizing their audit findings in a summary report and sometimes presenting those findings verbally, course material includes tips on good writing and verbal communication as well as best practices for using PowerPoint to convey results to various audiences found within an organization.

**Figure 2**



An in-depth study of documentation requirements for high-risk coding and DRG scenarios and healthcare law presented by a specialist attorney are highlights of the program, according to a few of the Parallon coders and coding quality reviewers.

The program includes a course on the fundamentals of auditing with a look at the behind-the-scene scope and set-up of an audit and the components and process of an audit, including tips about what to look for and where to find it.

Practicums include exercises for the learner to review records, capture the data in an audit worksheet, compute and analyze the findings, and prepare a written summary report for communicating the audit results. These practices reinforce the key concepts taught in the module.

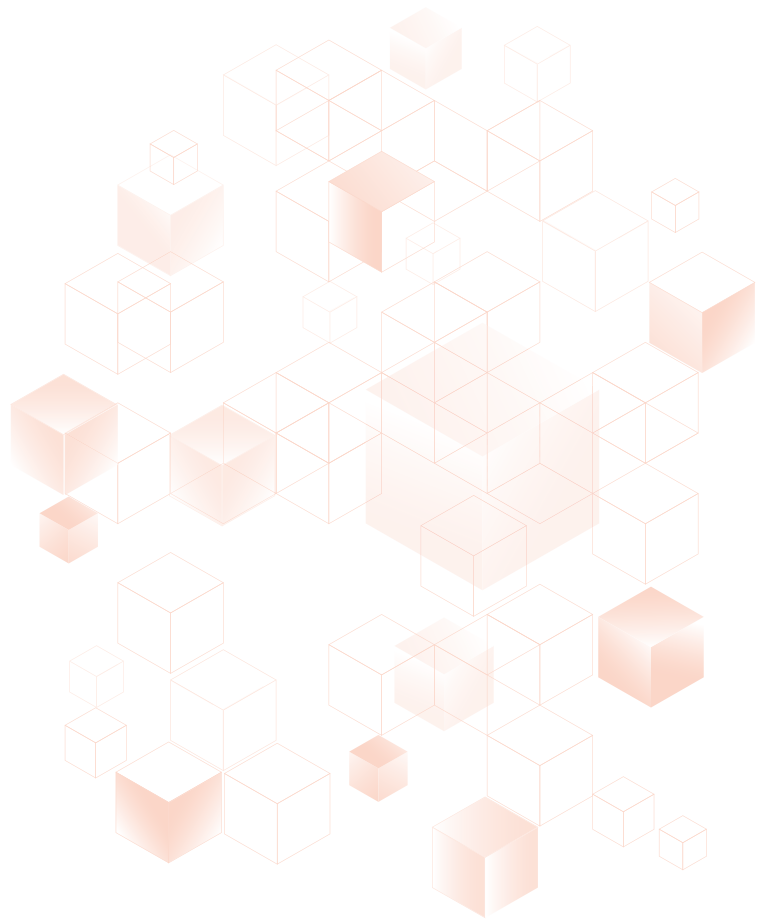
The program was designed so that the learner has some flexibility when completing the courses. For example, a learner can test out of the foundational courses if he or she has a strong, working knowledge of coding and DRGs. This type of online program is also easier to complete than a classroom style course or program because the learner can set their schedule and work at their own pace. And because the education partner uses a variety of media to deliver the course

work, such as videos and audio narration, learners can interact with the program. This approach keeps the learners engaged. The use of embedded links throughout the courses provides the learner with the opportunity to delve deeper into some of the more complex or comprehensive concepts taught throughout the program.

## Conclusion

Without a doubt, transitioning coders into auditors will require education and specialized training.

The first step of the transformation process should be choosing an online inpatient auditing program that addresses the hard and soft skills which are key to the development of a successful auditor. Keep in mind, though, that not all good coders will make good auditors, so be diligent about selecting the right coders for the program. Regardless of the career path, this course will make a better coder, even if that coder has no intentions of becoming an auditor.



We help healthcare organizations improve their bottom line and strategic market position with front line expertise in revenue cycle management, smart software and enterprise-level educational solutions.

Is your organization interested in learning more? Contact us to schedule a review, at **1-866-926-5933** or visit us online at [PanaceaInc.com](https://PanaceaInc.com).