

A Large Multi-Specialty Physician Practice Utilizes a Comprehensive Audit Program to Ensure Compliant Coding and Optimal Reimbursement

A large, multi-specialty practice with more than 1,000 physicians and allied health professionals has been able to achieve significant efficiencies by consolidating a number of core administrative activities, particularly billing, reimbursement, and other financial operations.

Identifying Challenges

Even with the significant efficiencies realized, however, the practice understood there were still unrealized opportunities that would help them optimize revenue and minimize the at-risk reimbursement associated with their denied claims. Areas of particular concern included coding, compliance, reimbursement methodologies, and pricing.

Industry-wide dermatology practices are experiencing increased claim denials that result in significant lost revenue. Lesion removals and wound repairs require specific documentation (lesion type, excision size, and location) to be included in the medical record in order to assign the appropriate procedure code. Providers run the risk of down-coding or filing inaccurate claims which is why audits are often focused on these type of cases. Claim denials are also common in orthopedic care due to unbundling errors, fracture care, and proper use of modifiers 25 and 59.

This large multi-specialty practice quickly recognized that an external, independent audit and review would provide the information and recommendations needed to identify specific opportunities for improvement. They wanted to develop and implement an internal training program that would support revenue optimization while minimizing compliance risks. They engaged Panacea to conduct the audit and review because the certified coding consultants at Panacea have a proficient and diverse expertise in all the professional fee service specialties.

Discovering the Professional Service Coding Audit

Initially, Panacea's consultants focused on two departments in the practice that, across the health care industry, are among the most frequently audited: Dermatology and Plastic Surgery, for reasons noted above. The staff pulled a broad sample of records and claims for these types of visits. The information was uploaded to Panacea's secure site.

Upon review of the data, the Panacea consultants identified certain problem areas where incomplete documentation and/or lack of specificity was found resulting in underpayments. This was particularly the case with lesions and the excision and closure procedures.

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Working with Panacea

Accuracy ratings, risk identification, and an analysis of coding trends was completed by Panacea. A comprehensive report of their findings was provided. The report included:

- Audit summary details and background information on the specific findings
- A ranking of the issues according to risk exposure and revenue potential
- A summary of overall and specialty-specific trends and best-practice recommendations for education and process improvements that could lead to better accuracy, more consistency, and optimized and legitimate reimbursements

The next step was to review the findings with the appropriate staff in the practice. Following the presentation of the findings, the practice had the opportunity to request clarification or provide additional information that might affect Panacea's findings and recommendations.

Based on the review findings, the practice gained knowledge by implementing the recommended training and process improvements that eventually led to greater coding accuracy.

Panacea is now conducting similar reviews in other departments of the practice including:

- Dental
- General Surgery
- Neurosurgery
- Radiation Oncology
- Radiology & Medical Imaging

Results and Benefits

There is a bond of trust behind this partnership between the practice staff and Panacea consultants. Both parties collaborate in an open fashion that allows the reviews to move forward with minimal disruption.

Over the course of Panacea's engagement with the practice, a broad range of positive results have been achieved, including greater accuracy in the use of Modifier 25 to report evaluation and management (E/M) services and improved documentation in Neurosurgery which is one of the most challenging surgeries to code accurately.

Looking ahead, the practice is exploring the use of Panacea's Professional Services Risk Analysis solution, which is a web-based, predictive analytical application that can quickly process utilization data and identify codes that are risk for coding and billing errors for each provider.

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