

A Compliant Plan Gathers No Dust

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or perhaps your staff hasn't been educated, or perhaps the plan was never really implemented in the first place. Often, methods change in response to day-to-day realities, regardless of official policy. In any case, if your daily office or facility operation doesn't reflect your compliance plan, you should be concerned.

Storing your compliance plan electronically facilitates revision, and also provides the benefit of quick access from any location. Smaller files are more manageable, so divide the plan into sections or chapters, and create a separate file for each. Create a new file each time you make a compliance plan revision. Do not, however, write over or erase previous files. You want to be sure that you have a record of past policies. This creates an effective audit trail so you can defend prior claims against the appropriate criteria.

Be sure to date all files, and archive old files in a separate folder. Create an icon for access to the most recent version of the compliance plan, and make sure that icon is on the desktop of every computer in the office or facility, preferably through an intranet.

Compliance plan updates should acknowledge government regulation and payer requirement changes, but should also incorporate lessons from within your own office or facility. Over time, you may find more efficient methods or incorporate new technology to achieve your compliance goals. You can customize your compliance plan to work best for you.

For example, while working with a billing company that had not touched its Health Insurance Portability and Accountability Act (HIPAA) plan (which, like a coding compliance plan, requires regular updating) since the

If you can't remember the last time you updated your coding compliance plan, you've got a problem.

An effective compliance plan is an active compliance plan, and an active compliance plan will keep pace with rapidly changing government regulations, payer requirements, office operations, and technology.

A static compliance plan, in contrast, is almost certainly an unused compliance plan. And an unused compliance plan—even if prominently displayed—provides no protection. In fact, that dusty folder on the shelf might put you at a greater risk because it shows that the practice or facility knows better, but ignores its own policies and procedures.

Get Your Ducks in a Row

Auditors frequently will select several policies outlined in a compliance plan, and will poll the staff, "How would you handle this situation?" If the responses don't line up with what's in the plan, the auditor is reasonable to be suspicious. Perhaps the compliance plan isn't current,



plan was first required in April 2003, a consultant asked about password protection and email policies for accessing and sharing electronic files. The consultant was told the policies were no longer active, and an entirely new method had been adopted. Such changes should be evaluated for compliance prior to adoption, and then officially incorporated into the plan.

Even the most up-to-date compliance plan is of no use if the only person who knows the policies is the individual in charge of keeping the compliance plan current. Staff education should be a regular and recurring part of any compliance program. If an auditor asks your staff about compliance policies, they should be able to give the correct answers. An easy way to keep education current and documented is to scan (or file) the sign-in sheet with the educational agenda from each class into the education section of the compliance records, documenting what and who was trained, as well as when the education took place.

Out swim Alligators by Investing Time and Expense

An effective compliance plan requires time and expense. Regular compliance updates and staff education might not seem like a priority in the face of falling bottom lines and the press of daily responsibilities. When you're trying to out-swim the alligators, you haven't got time to drain the swamp, right?

A truly effective compliance program is one of the best investments any practice or facility can make. With Recovery Audit Contractor (RAC) audits and greater scrutiny from third-party payers—not to mention the increasingly sophisticated software employed by all payers to detect aberrant or suspicious coding patterns—improper coding and other compliance problems are less likely than ever to go undetected. Payers are becoming more aggressive.

A rock solid compliance plan will catch errors before they go out the door, and will provide a clear set of procedures to resolve unintentional errors. If you take corrective action and come clean with the payer when you find a problem, you're likely to fair much better than if the payer discovers the problem first. In terms anyone working in health care should understand, coding compliance is "preventive medicine."

Even the best plan may not forestall an audit, but it will help you to withstand the scrutiny. For instance, a pediatric neurology practice in northern New Jersey recently was shocked by a payer's request to refund approximately \$4.8 million in payments as a result of a payer audit. Fortunately, the practice effectively addressed coding and operations compliance and performed yearly audits and education for the physicians and staff. They were able to demonstrate in their own audit and appeal the facts of each case in which the payer was asking for a refund and

that the practice's coding matched the documentation. As a result, the practice returned exactly \$0.

Let's Talk Money and Reputation

The cost of fraud charges resulting from a pattern of abusive coding (even if "unintentional") can escalate quickly. Quite aside from legal fees, the damage to a physician or facility's reputation is enough to cause financial ruin. The potential emotional damage can't be measured.

An effective compliance plan actually may pay direct dividends by identifying coding opportunities. For instance, a comprehensive compliance review might reveal that a provider is undercoding, and may legally claim a higher service level or is missing service opportunities that are not getting billed.

As already noted, your compliance plan should be mostly prospective. That is, it should establish effective internal controls to ensure that its coding and documentation practices are in full compliance with the law prior to claims submission.

An effective compliance plan also looks back, however. Regular retrospective audits, or review of claims already filed, are valuable to identify coding errors, as well as high risk services and providers. This allows you to target education efforts where they are needed, and gives you the opportunity to settle with a payer over past mistakes. It is recommended that retrospective audits be performed with your health care attorney.

Consider hiring an outside consultant to audit your coding compliance at least once per year. Very few medical practices do their own taxes. Instead, they hire a professional to do the job. The same attitude should prevail when it comes to evaluating a compliance plan. Coding compliance is every bit as important to a medical practice as is following tax law, so why not consult an expert? A credible consultant will take the time necessary to evaluate your plan and coding compliance, and help you identify and correct any problem areas. A consultant can answer questions and provide guidance if a payer announces an audit of its own. Just as we all have the April 15 deadline to file taxes, practices and facilities should have a deadline each year to complete their compliance review and update it accordingly. ■



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