

# **Physician Education and Coding Review Compliance Program**

## **Sound Inpatient Physicians, Inc. Tacoma, WA**

The physician Education and Coding Review Compliance Program (“Program”) is intended to educate physicians regarding the applicable coding and documentation rules and to assess the physicians’ compliance with those coding and documentation rules by reviewing a sample of current claims prior to their submission to third party payers, including the Medicare program. As set out below, the Program consists of four phases, and the extent to which a physician is subject to more than one phase will depend on that physician’s individual coding and documentation performance. The ultimate goal of the Program is 100 percent coding and documentation compliance by all physicians.

### **Phase I:**

Phase I consists of the following two steps:

- A. Mandatory Education Program
- B. Individual Physician Coding and Documentation Review

All physicians will attend a mandatory education program. These sessions will educate physicians on current regulatory requirements and review appropriate coding, documentation and billing practices. Following this educational program, each physician will receive a semiannual review of a sample of their charges and supporting documentation. This review will be used to evaluate physician documentation and coding practices and identify any problems in these areas. Physicians who are determined to have unacceptable coding practices (*i.e.*, an error rate of 10 percent or more) or that evidence a lack of understanding of the basic principles set forth in Phase I will be required to participate in Phase II. Physicians demonstrating acceptable coding and documentation practices will not be required to participate in Phase II, and will be subject to further review during the next review cycle. In all cases, physicians will be notified about the results of their claims review, and counseled regarding any inappropriate coding or deficient documentation issues identified.

### **A. PHASE I: MANDATORY EDUCATION PROGRAM**

All physicians will be required to attend the mandatory education session and their participation will be recorded in the main database. This mandatory education program will focus on the following subjects:

- I. Why you need to be concerned with compliance
  - A. To help all physicians understand and obey the laws and regulations.
  - B. To abide by the plan and program demonstrating sound business ethics.
  - C. Physician obligations and liability.

- II. Compliance Mission
  - A. Education
  - B. Monitoring and Feedback
  - C. Resources
  
- III. Physician Billing Guidelines
  - A. General Principles of Coding and Documentation
    - 1. Proper Documentation Components: History, Exam and Medical Decision Making
    - 2. Importance of Proper CPT coding (i.e., documentation supporting the level of service coding)
    - 3. Teaching Physician Presence Requirements
    - 4. Use of Modifiers
    - 5. Place of Service Codes
  - B. Specific Types of Physician Services (Inpatient/Outpatient) (Acute Care/SubAcute Care)
    - 1. Evaluation and Management Services
      - a. Initial Visits (Admits)
      - b. Follow Up Visits
      - c. Consults
      - d. Critical Care Visit
      - e. Discharge
      - f. Emergency Room Consults
      - g. Preventive Medicine
    - 2. Evaluation and Management Services (SNF/NF)
      - a. Initial Visits
      - b. Follow Up Visits
      - c. Consult
      - d. Discharge
    - 3. Evaluation and Management Services (Assisted Living Facility)
      - a. New Patient
      - b. Established Patient
    - 4. Wound Care Management
    - 5. Procedures
      - a. Incision/draining
    - 6. Services Billed on the Basis of Time
      - a. Critical Care
      - b. Counseling and Coordination of Care
      - c. Prolonged Visits
  - C. Other CPT Code Usage Issues
    - 1. Same Day Service Codes
    - 2. Time Distribution Codes
    - 3. "X" codes

## **B. PHASE I: INDIVIDUAL PHYSICIAN CODING AND DOCUMENTATION REVIEW**

Format: For each physician, a sample of from seven (7) to twenty (20) patient encounters will be randomly selected from a universe of claims that have been coded, but not yet submitted to third party payers for payment. A Reimbursement Analyst will select the random sample, review the selected records and identify any inappropriate coding or deficient documentation.

Physicians demonstrating acceptable coding and documentation practices (*i.e.*, an error rate of less than 10 percent) will not be required to participate in subsequent phases, but will be audited during the next normal review cycle. Physicians that do not demonstrate acceptable coding and documentation practices will be required to participate in at least Phase II. A written evaluation of the coding and documentation performance as well as recommendations and a personalized tool for improving documentation and code selection will be provided to each physician determined to have an unacceptable performance. In either case, the physicians will receive direct feedback regarding the findings and recommendations related to any improperly coded and/or insufficiently documented cases identified during the review.

To the extent inappropriate coding is identified, the claim under review will be revised prior to submission to third party payers based on the recommendations of the Reimbursement Analyst. For purposes of this Program, the physician will be evaluated based on the codes he/she selected relative to the documentation, and not based on any revised codes that may be recommended by the Reimbursement Analyst.

Timing of Review: Within 90 days of the mandatory education session.

### **Phase II:**

Phase II consists of the following two steps:

- A. Mandatory Remedial Education Program
- B. Individual Physician Coding and Documentation Review

The results of the Phase I coding and documentation review will identify those physicians requiring more education and/or individual attention related to coding and documentation issues. Individual attention, time and education will be given to physicians required to undergo Phase II. Physicians who do not demonstrate an acceptable level of coding and documentation practices (*i.e.*, an error rate of less than 10 percent) will be required to participate in Phase III. Physicians demonstrating an acceptable level of coding and documentation in their Phase Two review will not be required to participate in Phase III, but will be subject to review during the next review cycle. In either case, the physicians

will receive direct feedback regarding the findings and recommendations related to any improperly coded and/or insufficiently documented cases identified during the Phase II review.

**A. PHASE II: REMEDIAL EDUCATION PROGRAM**

Physicians required to participate in Phase II will be required to attend the mandatory education session and their participation will be recorded in the main database. This mandatory education program will focus on the following subjects:

- I. Why you need to be concerned with compliance.
  - A. To help all physicians understand and obey the laws and regulations.
  - B. To abide by the plan and program demonstrating sound business ethics.
  - C. Physician obligations and liability.
  
- II. The Compliance Mission
  - A. Education
  - B. Monitoring and feedback
  - C. Resources
  
- III. Specialized Training for Areas of Coding or Documentation Weakness

Materials: Articles/examples specific to misunderstandings identified. Actual physician charts examined during Phase I will be used as teaching tools.

This education session will be specific to the problems identified in the Phase I review. The Reimbursement Analyst will personalize this education session to address the individual physician's concerns and areas of weakness. As a result, training under this phase will be more specialized, and will be tailored to the needs of an individual physician.

**B. PHASE II: INDIVIDUAL PHYSICIAN DOCUMENTATION REVIEW**

Format: Within two months of the Phase Two educational component, a sample of from seven (7) to twenty (20) patient encounters for each physician will be selected and reviewed by the Reimbursement Analyst. Physicians determined to have unacceptable coding practices (*i.e.*, an error rate of 10 percent or more) in Phase II will be required to participate in Phase III. Physicians who demonstrate acceptable coding and documentation practices will not be required to participate in Phase II, and will be subject to further review during the next review cycle. In all cases, physicians will be notified about the results of their claims review, and counseled regarding any inappropriate coding or deficient documentation issues identified during this phase.

To the extent inappropriate coding is identified, the claim under review will be revised prior to submission to third party payers. For purposes of this Program, the

physician will be evaluated based on the codes he/she selected relative to the documentation, and not based on any revised codes that may be recommended by the Reimbursement Analyst.

Timing of Review: Review scheduled within 30 days of individual physician meeting.

### **Phase III:**

Phase III consists of the following two steps, which for purposes of this Phase are essentially combined into a single exercise conducted by a Reimbursement Analyst.

- A. Concurrent Review Program
- B. Individual Physician Documentation Review

The results of the Phase II coding and documentation review will identify those physicians requiring more education and/or individual attention related to coding and documentation issues. Under Phase III, a Reimbursement Analyst will be required to conduct a concurrent review of two (2) to four (4) consecutive days of patient encounters for services rendered by the physician. Specific attention, time and education again will be provided to the physicians based on the types of coding errors or documentation deficiencies. The physician will attend a mandatory meeting with the Chief Executive Officer, the National Chief Medical Officer, the respective Chief Hospitalist and a designated member of the Compliance Committee to discuss in detail the importance of compliance and the physician's performance as assessed under this Program.

Physicians determined to have unacceptable coding practices (*i.e.*, an error rate of 10 percent or more) in Phase III will be required to participate in Phase IV. Physicians demonstrating acceptable coding and documentation practices will not be required to participate in Phase IV, and will be subject to further review during the next review cycle. In all cases, physicians will be notified about the results of their claims review, and counseled regarding any inappropriate coding or deficient documentation issues identified during this phase.

- I. A Reimbursement Analyst will shadow a physician for at least two (2) days reviewing charts and critiquing documentation as prepared by the physician. This allows for complete attention to the individual physician and his/her understanding of billing guidelines. The Reimbursement Analyst will not code the charts for the physician, but will act as a reference point for the services coded and documented. Corrections will be made to the physician's coding choices as necessary, but the physician will be evaluated on based on his/her initial code selection and documentation.

Materials: Individual coding tools, if necessary.

Chart Selection: This will occur spontaneously with the physician because the Reimbursement Analyst will accompany him/her throughout the day.

Sample size: Sample size: From two (2) to four (4) days of consecutive service, thirty (30) patient encounters.

Timing: Schedule review within thirty (30) days of when the findings of the Phase III chart review are released.

#### **Phase IV:**

Phase IV consists of the following two steps:

- A. Disciplinary letter to the Physician with a copy in Physician's employment file
- B. Disciplinary action to be determined by the National CMO and Compliance Committee

If a physician has completed the first three phases and still demonstrates inappropriate coding or deficiencies in documentation, the physician will be required to hire a coder or other approved professional, at their personal expense, to ensure correct coding. In addition, depending on the nature and degree of non-compliance the physician will be subject to further disciplinary actions including possible suspension of billing related activities through to termination of employment.