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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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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); complete (an account) after the accounts audit

synonyms: inspect, examine, survey, go through, scrutinize, check, probe, vet, investigate, inquire, audit, assess, verify, appraise, evaluate, review, analyze, study, take

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



Have you ever been through an audit? It's hell!

It's the financial equivalent of a complete rectal examination.

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Are You an Auditor?

AUDITING



What my friends think I do

What my mom thinks I do

What society thinks I do

What the partners think I do

What I think I do

What I actually do

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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

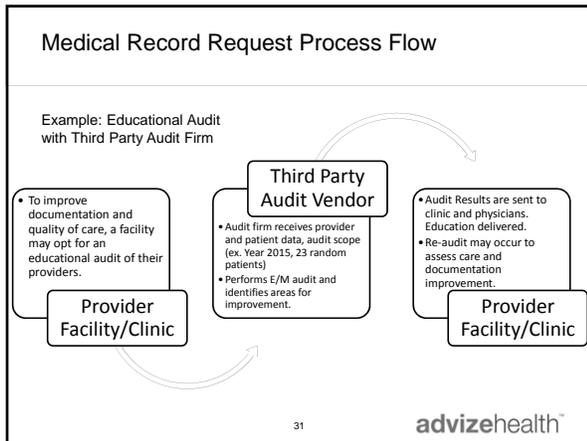
1. Standards and Procedures Review
2. Claims Submission Audit

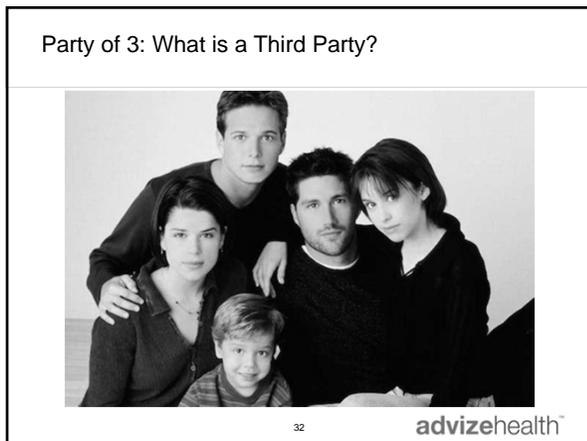


WCGWs:

- 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										
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	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	10/2/18	10/2/18
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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	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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