

**Policies and Procedures: WVU Physicians of Charleston**  
**Internal Audit Processes**

**Section:** Compliance  
**Chapter:** Billing  
**Policy:** Internal Audit Processes

**I. Purpose**

The purpose of this policy is to set forth the processes to be utilized by WVUPC for annual organizational audits of departmental billing.

**II. Scope**

This policy is intended to set forth the processes applicable to internal cross-departmental audits which are to be performed by WVUPC employed certified professional coders (CPCs) on an annual basis, and at such other frequency as directed by the WVUPC Corporate Compliance Committee. The cross-departmental audit processes summarized within this policy are intended to supplement the performance of routine periodic self-audits of departmental billings by each WVUPC clinical department.

**III. Statement of Policy/Procedure**

The Office of Inspector General (OIG) has issued compliance guidance for health care providers which emphasizes the importance of self-audits to ensure that medical records and bills comply with applicable coding, billing and documentation requirements. Such audits, the OIG has noted, are an effective way for physician practices to ascertain what, if any, problem areas or areas of risk may exist for the practice, and to develop and implement appropriate corrective responses. This policy is intended to ensure that the self-audit guidelines identified by the OIG are implemented within the WVUPC organization, and that a reasonable and workable process for the performance of such audits, which takes into account the unique nature of our organizational practice, is implemented.

**A. Frequency of Internal Audits by the Organization**

WVUPC shall perform cross-departmental audits of coding, billing and documentation for each clinical department of WVUPC on no less than an annual basis. Such audits may also be performed on a more frequent basis if so directed by the WVUPC Corporate Compliance Committee

The cross-departmental audits covered by this policy are intended to supplement the periodic performance of self-audits by each clinical department of WVUPC of their

own billing and documentation practices and procedures. The audit processes outlined herein are intended to serve as an additional set of “checks and balances” for the WVUPC organization to ensure that intra-departmental errors or areas of risk in billing, coding and documentation, if any, are timely identified and properly addressed.

## **B. Oversight of Cross-Departmental Audits**

The performance of cross-departmental audits shall be delegated by the WVUPC Board of Directors and Corporate Compliance Committee to WVUPC employed certified professional coders (CPCs). Oversight of the cross-departmental audit process and of the involved CPC reviewers shall be delegated to the WVUPC Policy & Procedures Committee. The Policy & Procedure Committee shall follow the provisions of this policy in the assignment of audit teams, selection and size of audit samples, development and implementation of audit guidelines and forms, and processes relating to post-audit reporting.

### **1. Assignment of Audit Teams**

Audit teams of three CPCs shall be assigned by the Policy & Procedures Committee to perform the annual audits of the billings and documentation of each clinical department of WVUPC. Not more than one CPC on each audit team shall be from the same clinical department as the clinical department being audited.

The audit teams and their assignments are set forth in attached Appendix 1. Such teams and departmental audit assignments may be amended from time-to-time as deemed necessary by the Policy & Procedures Committee without the necessity of amending this policy.

### **2. Sample Structure**

The Policy & Procedures Committee will, with the assistance of the WVUPC Information Systems Administrator, facilitate a random sampling of claims, retrospective to claim submission, for the clinical department under review. The review sample so selected shall take into account the specific type of patient encounters relevant to the department under review, and shall insure that the sample selected is representative of all such types of encounters.

The random sample selected for review shall be comprised of no less than five (5) claims per provider, per federal payer, and per type of encounter.

### **3. Review Structure**

a. Following selection of the random sample for the clinical department whose billings and documentations are subject to review, the Practice Administrator for that department will be responsible for assigning the task of retrieval of all relevant patient

records identified by the random sampling to an appropriate departmental employee, and for assuring that such records are made available for review by the audit team within five (5) working days.

b. Each audit team will have an audit coordinator to be assigned by the chair of the Policy & Procedures Committee, and such coordinator will facilitate the times and locations of the necessary records review.

c. The review of the selected charts for each provider being audited shall be focused upon the particular date of service identified by the random sampling process.

d. Each audit team will utilize a focused audit report tool designed to facilitate the analysis and reporting of each of the following:

- **Documentation of the record:** Whether appropriate documentation was in the chart for the services coded and billed;
- **Indication of Teaching Physician presence:** Whether the teaching physician adequately documented presence for the services coded and billed according to Medicare's teaching physician guidelines;
- **Service up-coding:** Whether the code and/or level billed were higher than the supporting documentation;
- **Service down-coding:** Whether the code and/or level billed were lower than the supporting documentation;
- **Uncaptured charges:** Whether the record reflects the rendition of a service for which uncaptured charges exist;

e. The audit report tool to be utilized by each of the audit teams is attached hereto as Appendix 2, and may be amended from time-to-time by the Policy & Procedures Committee without amendment of this policy.

f. The standardized audit report tool may also be supplemented with additional review templates or tools relevant to review of particular issues or areas of risk for each clinical department. Input regarding any appropriate supplemental review templates shall be provided to the Policy & Procedures Committee for approval by the Practice Administrator of the clinical department under review.

#### **4. Processes for Post-Audit Reporting**

a.. Once the audit of the selected records has been completed, a report shall be prepared by the audit team which summarizes the major findings for each provider whose charts have been reviewed, and any relevant recommendations for correction and/or improvement.

b. The audit team's report shall be provided within twenty-four (24) working hours of its completion to the to the Chair of the Policy & Procedure Committee who

shall promptly distribute such report to the Practice Administrator and billing supervisor of the clinical department under review, to the WVUPC Compliance Officer, and to the COO of the WVUPC organization. Neither the audit report nor the findings of the audit committee shall be communicated to others outside the audit process without the express approval of the COO of the WVUPC organization.

c. Following receipt of the audit team's report, the Compliance Officer and COO of the organization shall meet with the Practice Administrator and billing supervisor of the department under review in order to examine and analyze the findings of the audit team and to formulate an appropriate plan for addressing any identified deficiencies with the individual physicians and/or billing staff involved.

d. The Compliance Officer of the WVUPC organization shall provide a quarterly report to the WVUPC Compliance Committee regarding the results of all cross-departmental internal audits and any subsequent remedial measures, including supplemental education, found to be necessary under the circumstances.

e. Billing errors identified by the audit process which require refund shall be forwarded to the appropriate WVUPC billing staff for processing.

f. Remedial instruction and supplemental audit review shall be mandatory for audit results falling under an 80% rate of accuracy.

## **VII. References**

- 65 Fed. Reg. 194, pp. 59434-59452 (Oct. 5, 2000)
- [www.complianceinfo.com](http://www.complianceinfo.com) ("Managing Successful Coding and Billing Audits")