

**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 audits which are to be performed by a WVUPC employed certified professional coder (CPCs) on an annual basis, and at such other frequency as may be directed by the WVUPC Board of Directors, with advice and assistance of the WVUPC Compliance Officer and Corporate Compliance Committee. The 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 require the performance of annual internal audits of coding, billing and documentation of claims submitted by or on behalf of each WVUPC provider who has been issued a PIN number by the federal health care programs, as well as annual audits of those billing/coding staff members who have been identified by the Compliance Officer for internal peer review, in cooperation and collaboration with the several clinical departments. Such audits may also be performed on a more frequent than annual basis if

so directed by the Compliance Officer on the basis of the results of any such annual audit of individual providers and or billing personnel.

The internal 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 other areas of risk in billing, coding and documentation, if any, are timely identified and properly addressed.

## **B. Oversight of Internal Audits**

The performance of the internal audits to be performed pursuant to this policy shall be delegated to an individual selected by the Chief Operating Officer of the WVUPC corporation, with the advice and input of the WVUPC Compliance Officer. The individual assigned the duty of performing such annual audits shall be a certified professional coder (CPC) or shall have such other comparable skill, training and/or certification as is satisfactory to the Compliance Officer and COO. Oversight of the annual internal audit process and of the involved CPC reviewer shall be delegated to the WVUPC Compliance Officer. The audits shall follow the provisions of this policy in terms of selection and size of audit samples, development and implementation of audit guidelines and forms, and processes relating to post-audit reporting.

### **1. Sample Structure**

The individual assigned the responsibility of each annual audit will, with the assistance of the WVUPC Information Systems Administrator, facilitate a random sampling of claims, retrospective to claim submission, for the provider or billing staff member under review. The review sample so selected shall take into account the specific type of patient encounters relevant to the individuals 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 provider whose billings and documentation is subject to review, the Practice Administrator for that department will assist the internal reviewer as necessary in the retrieval of all relevant patient records identified by the random sampling, and for assuring that such records are made available for review by the reviewer within five (5) working days.

b. 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.

c. The internal reviewer will utilize a focused audit report tool designed by the Compliance Department 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;
- **Un-captured charges:** Whether the record reflects the rendition of a service for which un-captured charges exist;

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

e. 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 may be obtained by the reviewer and/or the Compliance Officer by the Practice Administrator of the clinical department of the provider under review.

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

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

b. Each provider whose charts/documentation has been the focus of the internal review shall receive individualized feedback from the internal reviewer within fifteen (15) days of such review, or within such other timeframe as specified by the Compliance Officer. Results of individual provider and/or billing staff member reviews shall also be communicated within the same period of time to the Practice Administrator and billing supervisor of the relevant clinical department.

c. The internal reviewer's report of audit findings for each department shall be provided within twenty-four (24) working hours of its completion to the to the

Compliance Officer who shall promptly distribute such report to the Practice Administrator and billing supervisor of the clinical department under review, and to the COO of the WVUPC organization. Except as required by law, neither the audit report nor the results thereof shall be communicated to others outside the audit process without the express approval of both the COO and the Compliance Officer of the WVUPC organization.

d. Following receipt of the internal reviewer's departmental 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.

e. 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.

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

g. 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")
- WVUPC Corporate Integrity Agreement, January 27, 2006.