Chart Audits
Why Do Audits??

- Maximize efficiency
- Mitigate risk
- Prevent revenue loss
- Identify and nullify vulnerabilities before they become liabilities
- Safeguard against clinical liabilities
- Improve patient care and clinical outcomes
- Ensure documentation supports diagnosis coding
- RHC Requirement
# Types of Chart Audits

<table>
<thead>
<tr>
<th>Periodic Chart Audit:</th>
<th>Follows your policy. I.E. 5 charts per provider every quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biennial Evaluation Process:</td>
<td>50 charts or 5% of patient encounters whichever is less. Active and Inactive patients.</td>
</tr>
<tr>
<td>Data Collection:</td>
<td>What are you looking for? Quality Metrics, Missed Revenue</td>
</tr>
<tr>
<td>Analysis:</td>
<td>Full review- Billing, Coding, Quality</td>
</tr>
<tr>
<td>Claims and Appeals:</td>
<td>Reviewing chart for appeals. Are the services medically necessary? Are we missing revenue opportunities?</td>
</tr>
</tbody>
</table>
Medical Chart Audit

- Evidence of consent to treat
- Identification and Social Data
- Pertinent Medical History with assessment of health status and health needs.
- Reports of physical exam, diagnostic services, lab test results
- Treatment, orders, referrals, etc
- Chart has been signed off before being billed. What is the sign off process for the clinic?
Periodic Chart Reviews

• Follow your policy!!
• Provided by a physician- Policy should determine if it’s the medical director, outside provider, or shared between physicians.
• NP/PA must participate
  o Can be face to face or electronic
• Know your state law requirements for NP/PA
  o Does your state require a collaborating physician to review medical records?
  o Do they have to co-sign records?
CHART REVIEW LOG

The Provider and Medical Director share equally in the responsibility for reviewing charts as needed but no less than five (5) per month.

1. Reviewed: __________________________
   ME#: ____________________________
   DOS: ____________________________
   Agreement with Clinical Assessment: Yes _________ No ________
   If other clinical suggestions, please list: ______________________________________________________

2. Reviewed: __________________________
   ME#: ____________________________
   DOS: ____________________________
   Agreement with Clinical Assessment: Yes _________ No ________
   If other clinical suggestions, please list: ______________________________________________________

3. Reviewed: __________________________
   ME#: ____________________________
   DOS: ____________________________
   Agreement with Clinical Assessment: Yes _________ No ________
   If other clinical suggestions, please list: ______________________________________________________

4. Reviewed: __________________________
   ME#: ____________________________
   DOS: ____________________________
   Agreement with Clinical Assessment: Yes _________ No ________
   If other clinical suggestions, please list: ______________________________________________________

   Provider: __________________________
   Supervisor: ________________________
   Date: ____________________________

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Biennial Chart Reviews

Do you have consent to treat the patient?
- Yearly
- Procedure

Reviewing the chart
- Current Meds Documented?
- Allergies documented?
- Vitals present?
- Updated medical history?
- Labs/Xray’s documented and results in chart?
- Was the patient referred? Do we have the results?

Was the chart signed off in the appropriate time?
- Based off practice policy
Biennial Chart Review Example

<table>
<thead>
<tr>
<th>Name</th>
<th>Chart Date</th>
<th>D.O.B.</th>
<th>Insurance</th>
<th>Personal Info</th>
<th>Social Info</th>
<th>Allergies</th>
<th>Vitals</th>
<th>Labs</th>
<th>T.Das</th>
<th>External Referrer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient 1</td>
<td>1/1/2023</td>
<td>01/01/1980</td>
<td>BlueCross</td>
<td>123 Main St</td>
<td>555-123456</td>
<td>Peanut</td>
<td>160/100</td>
<td>Normal</td>
<td>98</td>
<td>8/22/2023</td>
</tr>
<tr>
<td>Patient 2</td>
<td>2/1/2023</td>
<td>02/02/1982</td>
<td>UnitedCare</td>
<td>678 King St</td>
<td>222-345678</td>
<td>Tree</td>
<td>170/110</td>
<td>Normal</td>
<td>97</td>
<td>9/23/2023</td>
</tr>
<tr>
<td>Patient 3</td>
<td>3/1/2023</td>
<td>03/03/1983</td>
<td>Medicaid</td>
<td>910 Queen St</td>
<td>333-456789</td>
<td>Milk</td>
<td>180/120</td>
<td>Normal</td>
<td>96</td>
<td>10/24/2023</td>
</tr>
<tr>
<td>Patient 4</td>
<td>4/1/2023</td>
<td>04/04/1984</td>
<td>Aetna</td>
<td>111 Prince St</td>
<td>444-567890</td>
<td>Egg</td>
<td>190/130</td>
<td>Normal</td>
<td>95</td>
<td>11/25/2023</td>
</tr>
<tr>
<td>Patient 5</td>
<td>5/1/2023</td>
<td>05/05/1985</td>
<td>Kaiser Permanente</td>
<td>222 Royal St</td>
<td>555-678901</td>
<td>Nut</td>
<td>200/140</td>
<td>Normal</td>
<td>94</td>
<td>12/26/2023</td>
</tr>
<tr>
<td>Patient 6</td>
<td>6/1/2023</td>
<td>06/06/1986</td>
<td>Cigna</td>
<td>333 Temple St</td>
<td>666-789012</td>
<td>Fish</td>
<td>210/150</td>
<td>Normal</td>
<td>93</td>
<td>13/27/2023</td>
</tr>
<tr>
<td>Patient 7</td>
<td>7/1/2023</td>
<td>07/07/1987</td>
<td>Blue Shield</td>
<td>444 Grove St</td>
<td>777-890123</td>
<td>Shellfish</td>
<td>220/160</td>
<td>Normal</td>
<td>92</td>
<td>14/28/2023</td>
</tr>
</tbody>
</table>

SOUTH CAROLINA OFFICE OF
RURAL HEALTH
Data Collection

• What are we looking for?
• Revenue Generating Review
  o Did we bill for everything that we could have?
  o Common missed items: Depression screenings, smoking cessation.
  o Chronic Care Management services?
• Immunizations
  o Was counseling provided as part of visit?
  o Is counseling documented?
Coding

Proper assignment of CPT or HCPCS Level II codes utilized for procedures and services

Correct E/M Level is supported by documentation

Diagnosis codes (ICD-10) are correct and are specific

Modifiers are used when needed
Analysis

• What are we looking for?
• Reviewing the chart
  o Was proper documentation present?
  o Were any deficiencies present?
• Report of findings
  o Identify any trends and errors
    • Utilization pattern abnormalities
    • Coding errors
    • Documentation deficiencies
  o How is this conveyed to staff? (ie documentation)
  o Recommendations on training opportunities or modification in documentation
Claims and Appeals

What was the reason for the claim denial?

- Understand your denial codes for each insurance company
- Common denials?
- Could it be a claim scrubbing issue?

Before filing an Appeal:

- Medical Necessity
- Documentation is sufficient?
- Know your insurance company's contracts (what is and is not an allowable service)

Reworking Claims

- Cost of reworking claims adds up quickly
  - Example practice has 500 denied claims per physician in a 2 physician practice costs $25000 a year!
E & M Audit

• What is the E/M Category? (Location and Service type)
• Select the appropriate level of E/M services based on the following:
  - The level of the MDM as defined for each service
  - The total time for E/M services performed on the date of the encounter.
Medical Decision Making

- Based on 2 out of 3 elements of MDM
- 3 categories:
  Number and Complexity of Problems addressed at the encounter,
  Amount and/or complexity of Data to be reviewed and Analyzed,
  Risk of Complications and/or Morbidity or Mortality of Patient Management.
- Types of MDM: Straightforward, Low, Moderate, High
# Level of MDM

## Level of Medical Decision Making (MDM)

Revisions effective January 1, 2023 are noted in red text

<table>
<thead>
<tr>
<th>Level of MDM (Based on 1 out of 3 Elements of MDM)</th>
<th>Number and Complexity of Problems Addressed</th>
<th>Elements of Medical Decision Making Amount and/or Complexity of Data to be Reviewed and Analyzed</th>
<th>Risk of Complications and/or Morbidity or Mortality of Patient Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Straightforward</td>
<td>Minimal or none</td>
<td>Minimal or none</td>
<td>Minimal risk of mortality from additional diagnostic testing or treatment</td>
</tr>
<tr>
<td>Low</td>
<td>Low (Must meet the requirements of at least 1 of the 2 categories) Category 1: Tests and documents • Any combination of 3 from the following: ▪ Review of prior external note(s) from each unique source*; ▪ Review of the result(s) of each unique test*; ▪ Ordering of each unique test*; or Category 2: Assessment requiring an independent historian(s) (For the category of independent interpretation of tests and discussion of management or test interpretation, see moderate or high)</td>
<td>Low risk of mortality from additional diagnostic testing or treatment</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>Moderate (Must meet the requirements of at least 1 out of 3 categories) Category 1: Tests, documents, or independent historian(s) • Any combination of 3 from the following: ▪ Review of prior external note(s) from each unique source*; ▪ Review of the result(s) of each unique test*; ▪ Ordering of each unique test*; or Category 2: Independent interpretation of tests • Independent interpretation of a test performed by another physician/other qualified health care professional (not separately reported); or Category 3: Discussion of management or test interpretation • Discussion of management or test interpretation with external physician/other qualified health care professional/appropriate source (not separately reported)</td>
<td>Moderate risk of mortality from additional diagnostic testing or treatment</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>High (Must meet the requirements of at least 2 out of 3 categories) Category 1: Tests, documents, or independent historian(s) • Any combination of 3 from the following: ▪ Review of prior external note(s) from each unique source*; ▪ Review of the result(s) of each unique test*; ▪ Ordering of each unique test*; or Category 2: Independent interpretation of tests • Independent interpretation of a test performed by another physician/other qualified health care professional/appropriate source (not separately reported)</td>
<td>High risk of mortality from additional diagnostic testing or treatment</td>
<td></td>
</tr>
</tbody>
</table>

References

State Operations Manual references:

- Clinical Record Review (Page 17)
- Physician responsibilities for Periodic Review (Page 60)

AAPC Website

- What Is Medical Auditing? - AAPC
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