



Healthicity
Find Simplicity

2022 Annual Healthcare Compliance and Auditing Checkup Report



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Introduction – The Health of Healthcare Auditing Programs

Healthcare auditing professionals – this Annual Checkup Report is just for you. Our physicians and nurses remind us that annual evaluations are essential to keep us healthy and to remind each of us of best practices to keep our physical and mental health in tip-top shape.

It's certainly no different with your auditing program. Whether your role is a coder, auditor, revenue cycle manager, or patient billing specialist — things are always changing in the industry. We've designed this report to allow each of you to hear from your peers, to see if your practices and pain points are similar or different, and to stay up to date on some things that hopefully will make your work much easier and more effective.

We've surveyed hundreds of auditing professionals from every state in the U.S. We've compiled their answers, and our subject matter experts have reviewed the data and trends in the industry and have offered their advice here.

So, check in, pour yourself some coffee or tea, and take this time to evaluate the health of your healthcare auditing program. We hope this report is a tremendous help to you all.

The Healthicity Team



The Greatest Challenges Facing Auditing Programs

Challenges exist for every auditing program and its managers. Knowing your challenges, along with those of your peers, is critical to making sure they don't derail your success.

The number one response was "Keeping current on laws and regulations." Every year, there are more than 2,000 new codes to learn. We need to stay current on the interpretation of how those codes are utilized. Finding the time to stay current is difficult. Other top challenges named were training, resources needed to conduct audits, planning and managing resources and data, and getting leadership buy-in.

Having a plan to address these challenges and implementing tactics from the recommendations here can help achieve leadership buy-in.

Communicate to your leadership clearly that a healthy auditing program

can help facilities obtain maximum revenue for the services provided. It's important that we manage these process and report results. In the long run, all of this has a positive impact on patient care.

Utilizing software tools can greatly reduce the time and resources needed for training, conducting audits, and managing your resources and data. However, our survey showed that 69 percent of organizations still use Excel or Word documents to record audit results, and 42 percent do not use software for coding encounters.

Proper planning and identifying resources to help address your greatest challenges will relieve worries about your program becoming less effective.

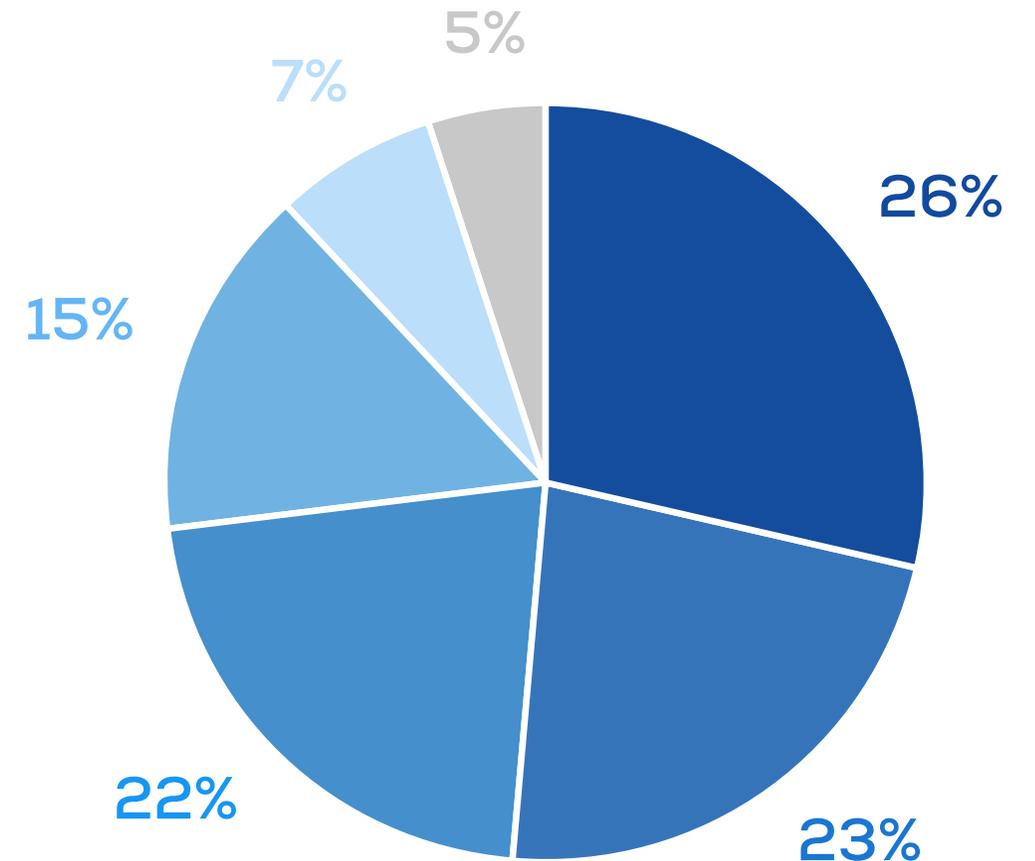


The Greatest Challenges Facing Auditing Programs

01

What do you anticipate will be your greatest challenge in managing your auditing program?

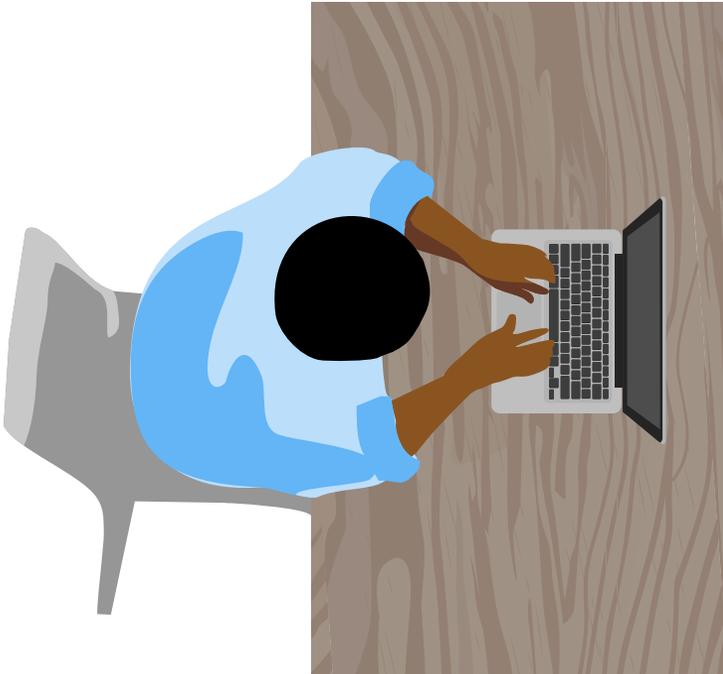
- Keeping current with laws and regulations
- Training of staff
- Resources to conduct audits
- Planning activities + managing resources and data
- Leadership buy-in
- Other



The Greatest Challenges Facing Auditing Programs

02

How do you record audit results?

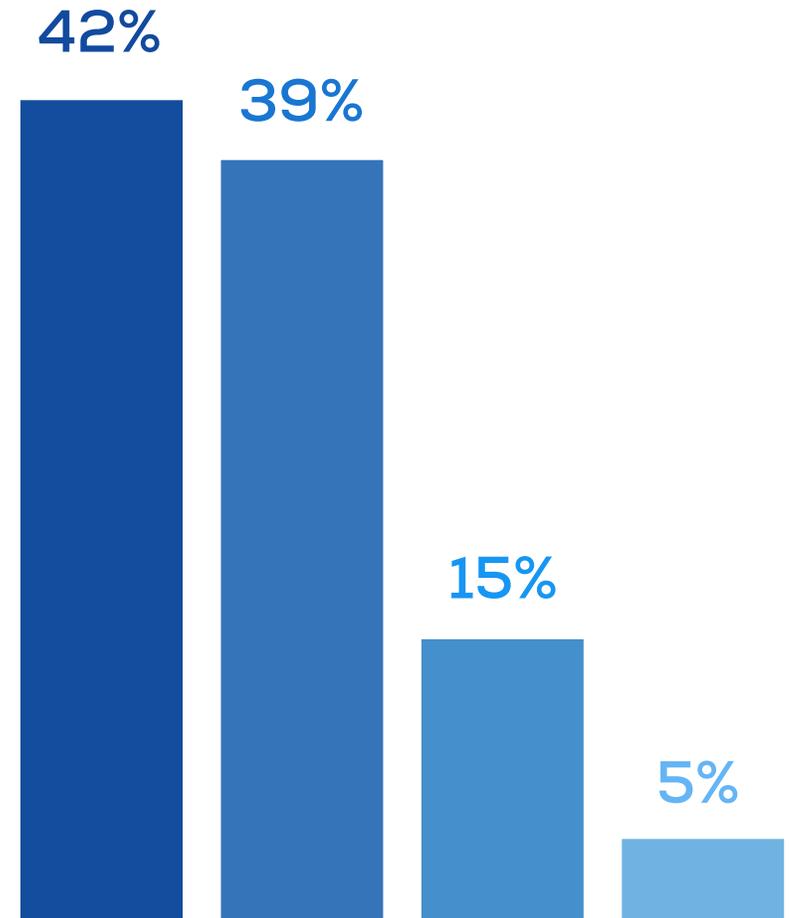


The Greatest Challenges Facing Auditing Programs

03

Does your organization use computer-assisted coding software for coding encounters?

- No
- Yes, for coding
- Yes, for both
- Yes, for auditing



Defining Effectiveness

Being able to clearly show the effectiveness of your auditing program is vital to every healthcare organization. How do medical auditing professionals improve their processes to do things in a way that ensures desired outcomes are achieved?

Always start with making sure your organization is identifying and setting clear quarterly benchmark goals. Identify the issues that your organization may have, then set goals to make improvements in a timely manner. Don't aim too high, set just a few realistic goals that your team can work toward without being overwhelmed by improving all the things in one quarter. Take the time at the end of each quarter to review the goals and the progress made.

We encourage the use of tools like trend analysis reports and void reports. These can provide a window to help your staff identify where a program's shortcomings exist. Once these areas are identified, schedule training

sessions to review findings and help improve effectiveness so that you can achieve your goals.

Today's auditing program leaders need to take advantage of the vast amounts of data available to them. Not using this data will lead to incorrect outcomes and sources. Find your data and consistently measure your effectiveness. Software tools now exist that can help us find and understand this data. Implement a cycle of training, reporting, measuring, and evaluating.

The most important factors in determining the effectiveness of an auditing program were reducing errors and providing training. We will explore these top two areas for improvement in the following sections.

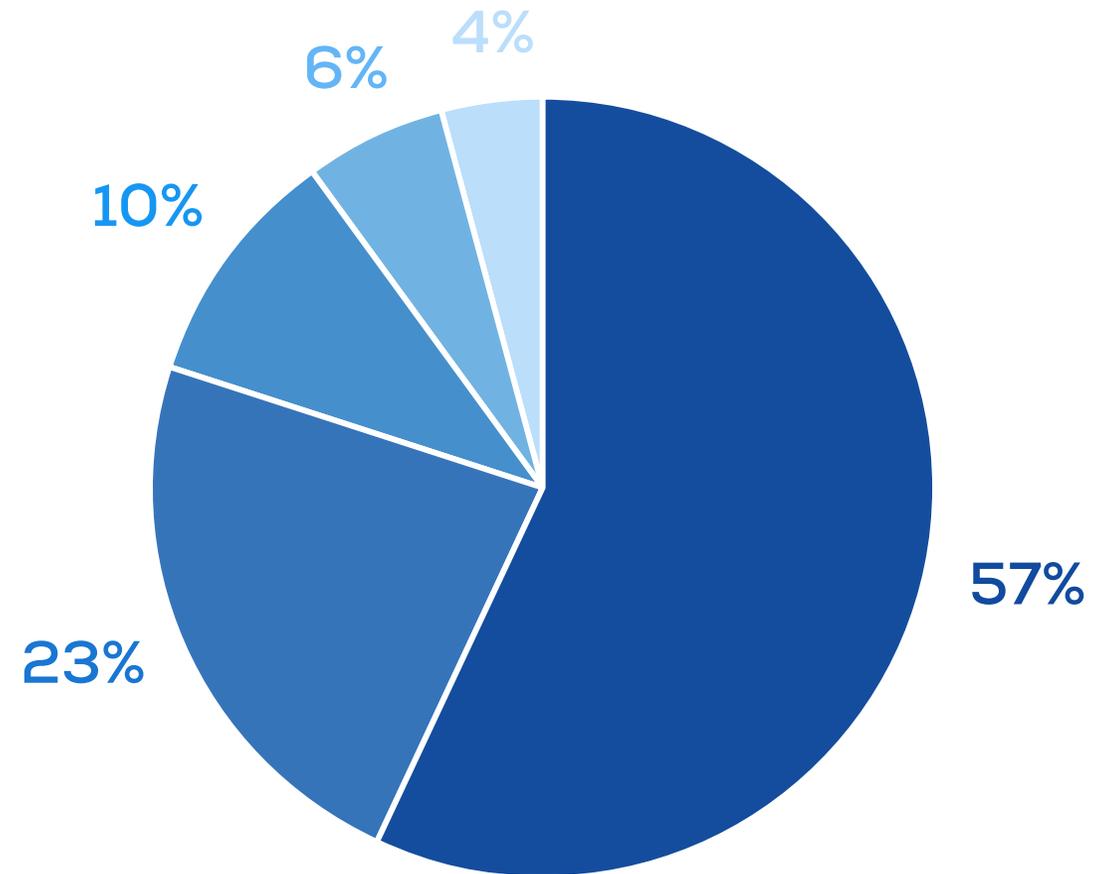


04

How do you define effectiveness?

- Reduction in auditing errors and training needs
- Improved audit scores
- Increase in revenues
- I don't know
- Increase in re-billing of denied claims

Defining Effectiveness



05

On a scale of 1-10, how would you rate the overall effectiveness of your auditing program?



Reducing Audit Errors

A shared point of emphasis in maintaining a successful auditing program was being able to identify and reduce errors. How can you identify the errors your organization encounters most frequently?

Make sure you invest in certified coders. These coders have demonstrated knowledge and can help with internal audits that identify these high-risk areas for errors.

Check for the possibility of an uptrend in void reports. If this is a source of errors, make sure you're looking at void reports and training staff to identify the void reasons. Most of the time, the reasons for denial of claims will be found on a payor's website, along with details of what they are specifically looking for. Review the payor's rules and follow up with training sessions for your staff.

Often, this points to coders not understanding something with how to interpret the documentation and how to code that to the provider's

documented treatment. Retrain your staff on how to identify that and void the amount of rejections that are coming back.

Another best practice is to use a layered approach, using multiple vendors and tools, when verifying your payor claims. Visiting your payor website and finding the reasons for the claim denial is very important. Use this information to train your staff on these specific situations. This practice is a very important part of the revenue integrity cycle.

Even when your program is in a place where most of the errors are caught, remember that even a 5 percent error rate can be a major cost to your organization. Get down to a finite level.

Lastly, communicate clearly and frequently. Open lines of communication are proven to identify potential errors and address them before they become a problem.



06

Do you conduct quality reviews of auditors' results?

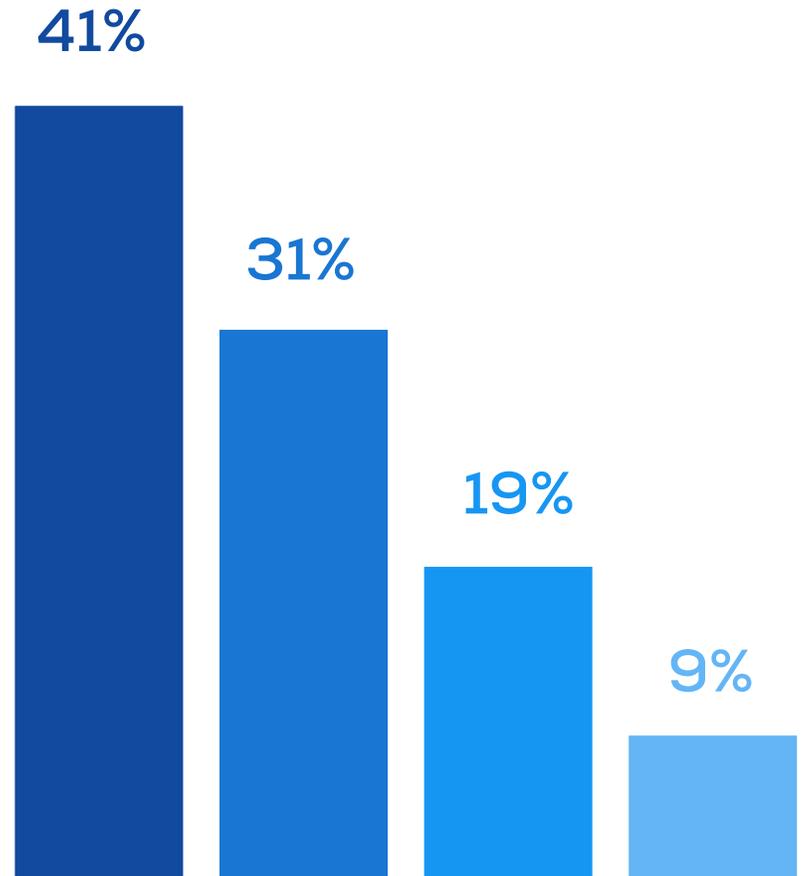
- No
- A percentage of audits
- All audits
- Targeted audits based on previous results
- Adjusted based on auditor depth of experience



07

Who conducts the quality review of your auditors?

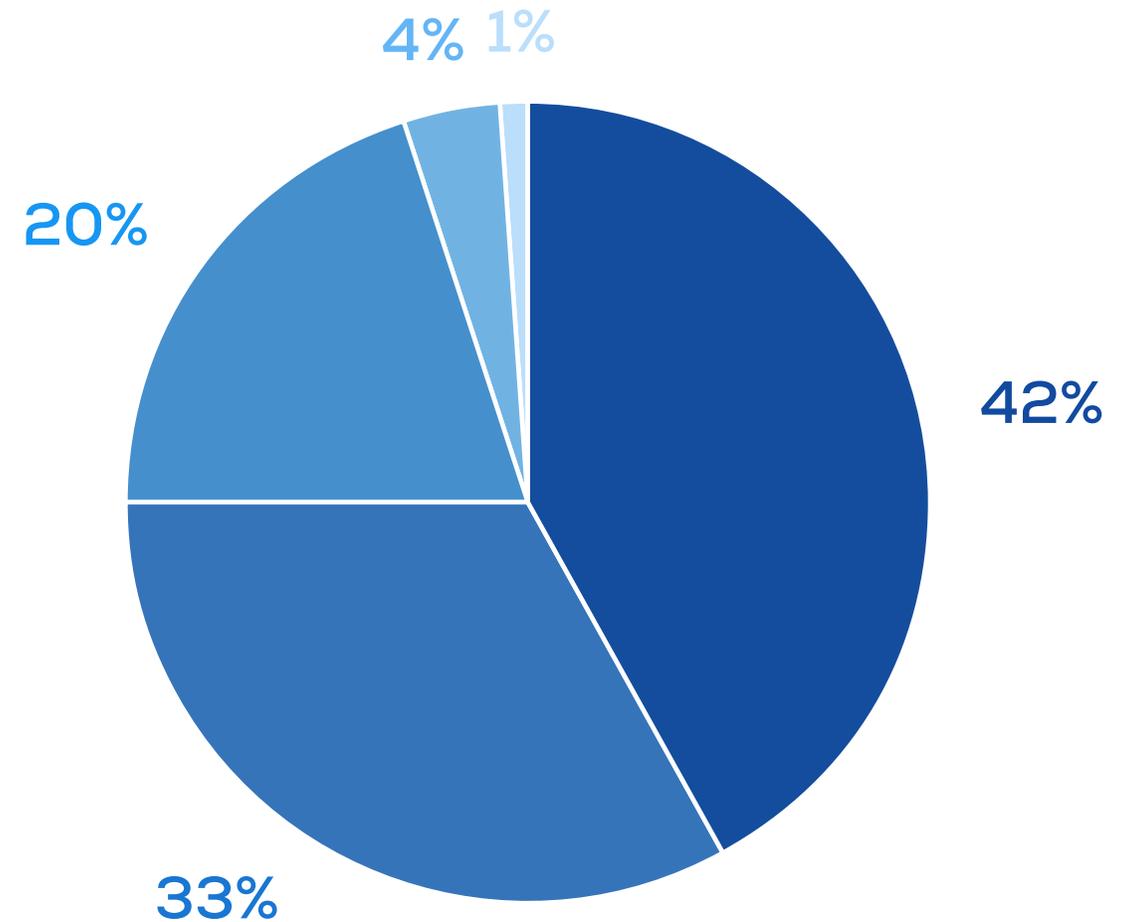
- Member of the management team
- Senior auditors
- Other
- Third-party auditors



08

What action is taken when providers dispute results?

- We listen and acknowledge the provider's concerns
- Audit findings may be adjusted
- I don't know
- Nothing
- Other



Improving Training and Documentation

Fifty-seven percent of survey respondents said training needs were a way that they defined effectiveness, but 23 percent of respondents also said that training of staff was their greatest challenge in managing their auditing program. This gap in success versus challenge presents a problem for the health of your program.

It's essential to have consistent and scheduled training times for anyone involved in your audits. Include a detailed agenda and always send out notes and a recording of the training session (if the meeting is digital) afterward.

Creating a training manual, sometimes called a "red book," with detailed reference material can be invaluable for housing all training information collected over time. Finding webinars and conferences for your team to attend for ongoing learning is an easy source of quality training. You can also build a list of resources from industry sources, such as the American Society for Radiation Oncology and American Academy of Professional Coders.

Documentation improvements can be made by beginning regular reviews of your staff's charts. Set a time to gather your team and have a "round table" to discuss your documentation and recommend ways to improve. This is another area where utilizing software can be of great assistance. Many auditing software programs will alert you of incomplete or missing documentation.

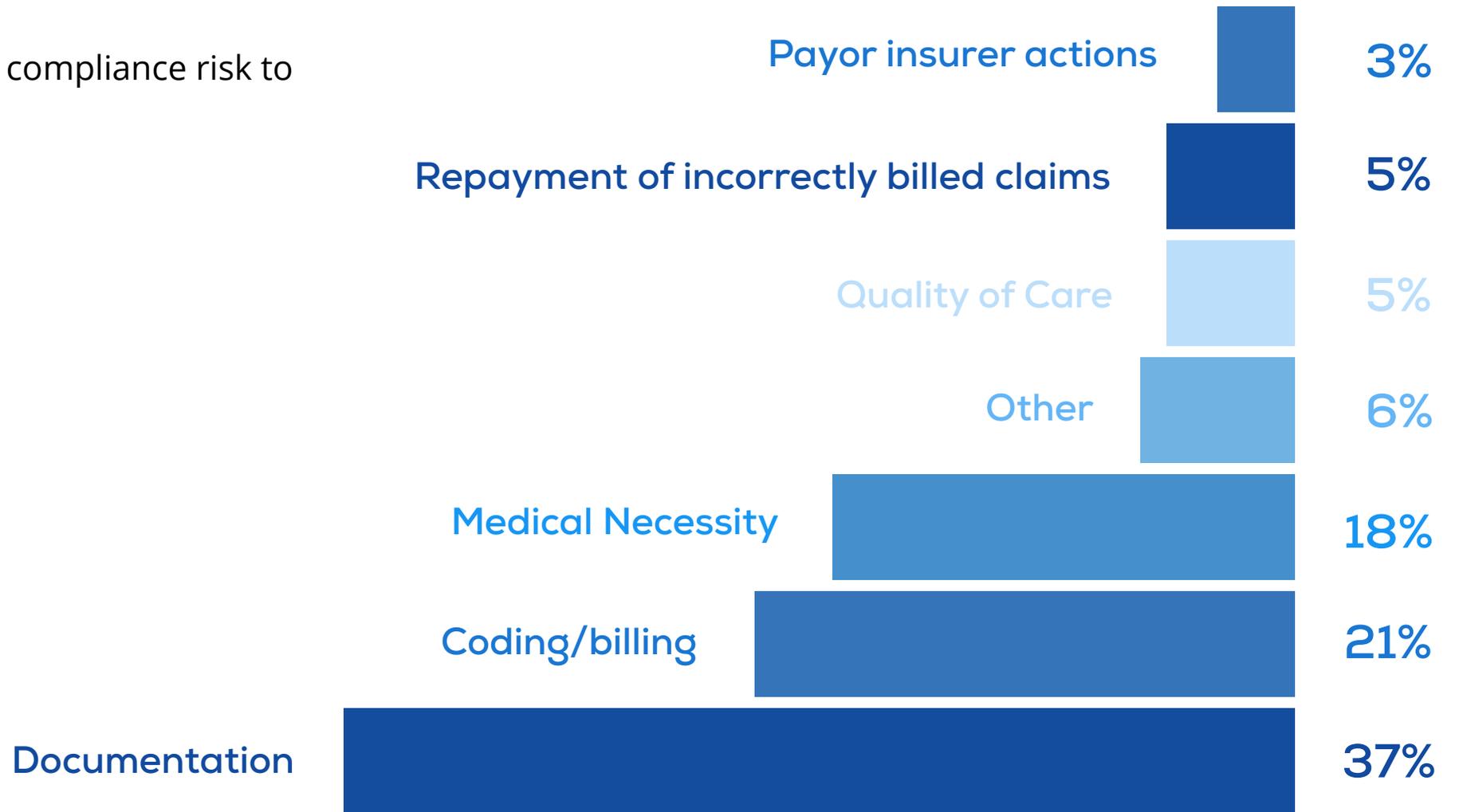


Related Survey Results:

09

Which presents the greatest compliance risk to your organization this year?

Improving Training and Documentation



10

Does your organization conduct formal documentation and coding audits of your medical providers?

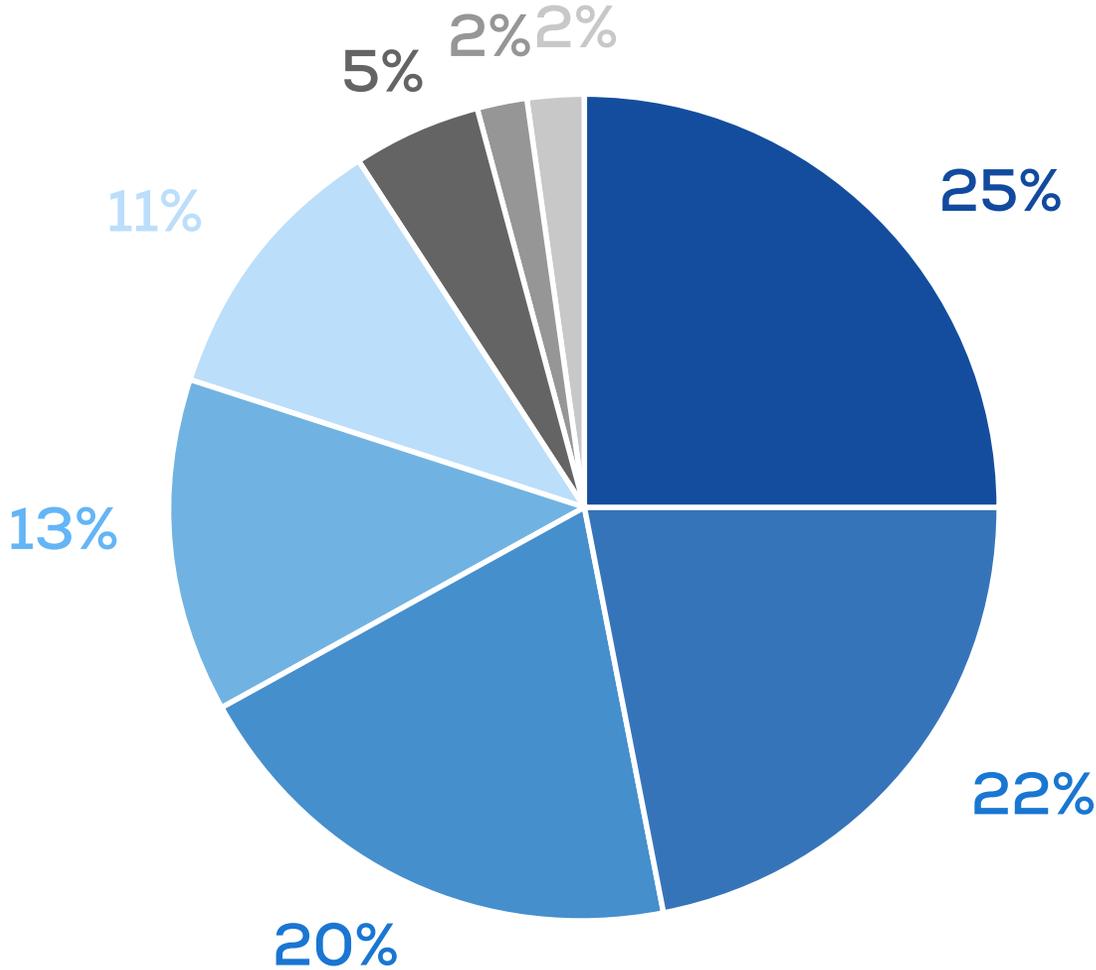


Improving Training and Documentation

11

How frequently are formal documentation/ coding audits conducted on individual providers?

- Annually
- Quarterly
- Monthly
- As needed
- I don't know
- Other
- Every 2-3 years
- Never



Improving Training and Documentation

12

When providers fail an audit, select all the remediation actions your organization takes or would like to take.

- One-on-one training
- Re-audits
- Reading materials and references
- Targeted coding concept courses
- Classes/webinar



Summary

OUR SUBJECT MATTER EXPERTS' PREDICTIONS FOR THE NEXT FEW YEARS

Today's healthcare auditing teams need to have a deeper level of understanding of the nuances of what providers are doing.

Along with the best practices in the previous sections, our experts recommend:

- Subscribing to updates from the Office of Inspector General (OIG) to monitor updates to the Workplan. Make sure to include education and training according to the OIG's Workplan, both at the start of a new year and when updates are released.
- Sharing regulations and reference documentation from The Centers for Medicare and Medicaid Services (CMS) and the American Medical Association (AMA) within your training.

- Utilize the AAPC Coding and Auditing Forums. They are a great resource for ongoing industry concerns and coding/auding issues.

Developing and maintaining your plan, setting clear expectations and implementing best practices can ensure your auditing program is healthy and effective.



About Healthicity

MORE ABOUT THE SUBJECT MATTER EXPERTS WHO CONTRIBUTED TO THIS REPORT:



Debi Behunin

Vice President of Product Innovation

Debi has more than 30 years' experience in payment and revenue integrity industries. She has held influential product development, management, and sales roles for all the primary vendors in the payment integrity industry. She leads product development at Healthicity, focusing on creating and implementing products and services that assure compliance with rules and regulations to prevent erroneous payments.



La Tanya M. McNair

Client Success Manager, MHA, BSBA, CPB, CPC, CPCO

La Tanya has more than 30 years' experience in healthcare auditing and coding. She has traveled throughout the United States as a financial manager, opening and auditing medical centers. She has trained multi-specialty physicians, clinicians, and medical billing and coding staff on regulatory compliance, clinical documentation improvement, evaluation and management, HIPAA Compliance, ICD-10-CM, CPT, HCPCS, and revenue cycle management.



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Introduction – The Health of Today’s Healthcare Compliance Programs

Healthcare compliance professionals – this Checkup Report is just for you. As our physicians and providers always remind us, annual evaluations are essential to keep us healthy and to remind each of us of best practices to keep our physical and mental health in tip-top shape.

It’s certainly no different with your compliance program. Whether you’ve been shepherding healthcare compliance programs for 20 years or 20 months, things are always changing. We’ve designed this report to allow each of you to hear from your peers, to see if your practices and pain points are similar or different, and to stay up to date on some things that hopefully will make your work much easier and more effective.

We’ve surveyed hundreds of compliance officers from every state in the U.S. We’ve compiled their answers, and our subject matter experts have reviewed the answers, trends in the industry, and have offered their advice here.

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The Healthicity Team



Money Matters

FOLLOW THE MONEY

Following the money is an age-old compliance mantra, and remains a major factor for 2022's compliance pros. It means that your largest risks generally follow claims and payments to and from third-party payors.

This is especially true given the [False Claims Act](#) — the powerful enforcement tool the federal government uses to bring about so many compliance settlements.

The good news: 76 percent of respondents require formal coding audits.

The bad news: 16 percent do not.

It's a fundamental compliance practice to perform coding and billing audits.



Money Matters

THE 60-DAY RULE

The returning of overpayments is sometimes referred to as the Reverse False Claims Act.

The [Affordable Care Act](#) (aka PPACA and/or ObamaCare) requires any overpayment from a federal payor, such as [Medicare](#) or [Medicaid](#), to be returned to those payors within 60 days of identification of the overpayment. The final rule on this [was published in the Federal Register](#) and dives deep into what it means to “identify” an overpayment. The rules also outline an expectation for proactive activity to identify overpayments. In other words, the Final Rule suggests it is not a sufficient excuse to stick one’s head in the sand to avoid knowledge of overpayments.

The good news: 43 percent of respondents said they are “very comfortable in addressing the 60-day rule requirement.”

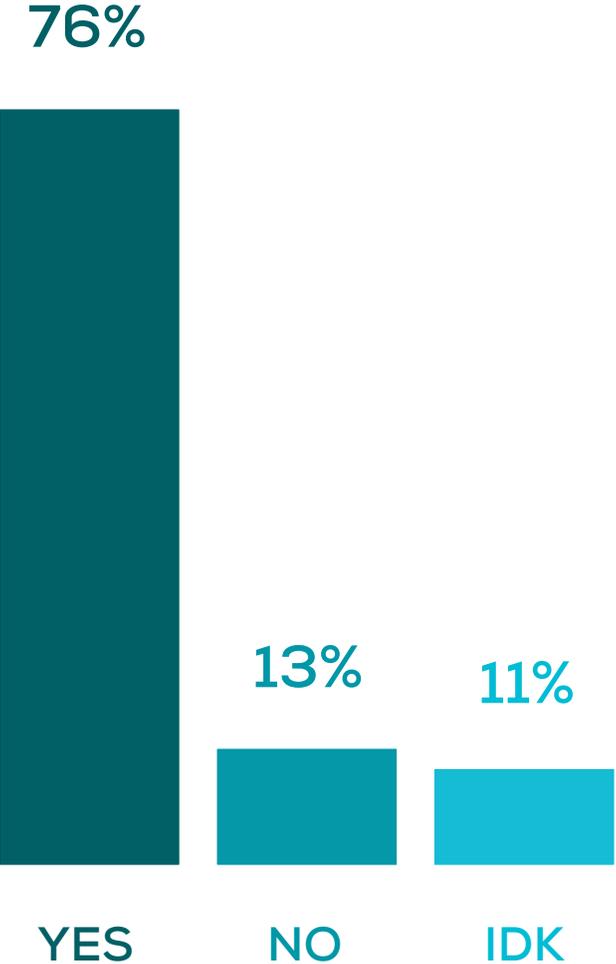
The bad news: About 57 percent are “not very comfortable” in how they are addressing these requirements.

Make sure you have the tools to meet these requirements. Visit the [Healthicity Resources webpage](#) to view webinars and eBriefs that dive deeper into this topic.



01

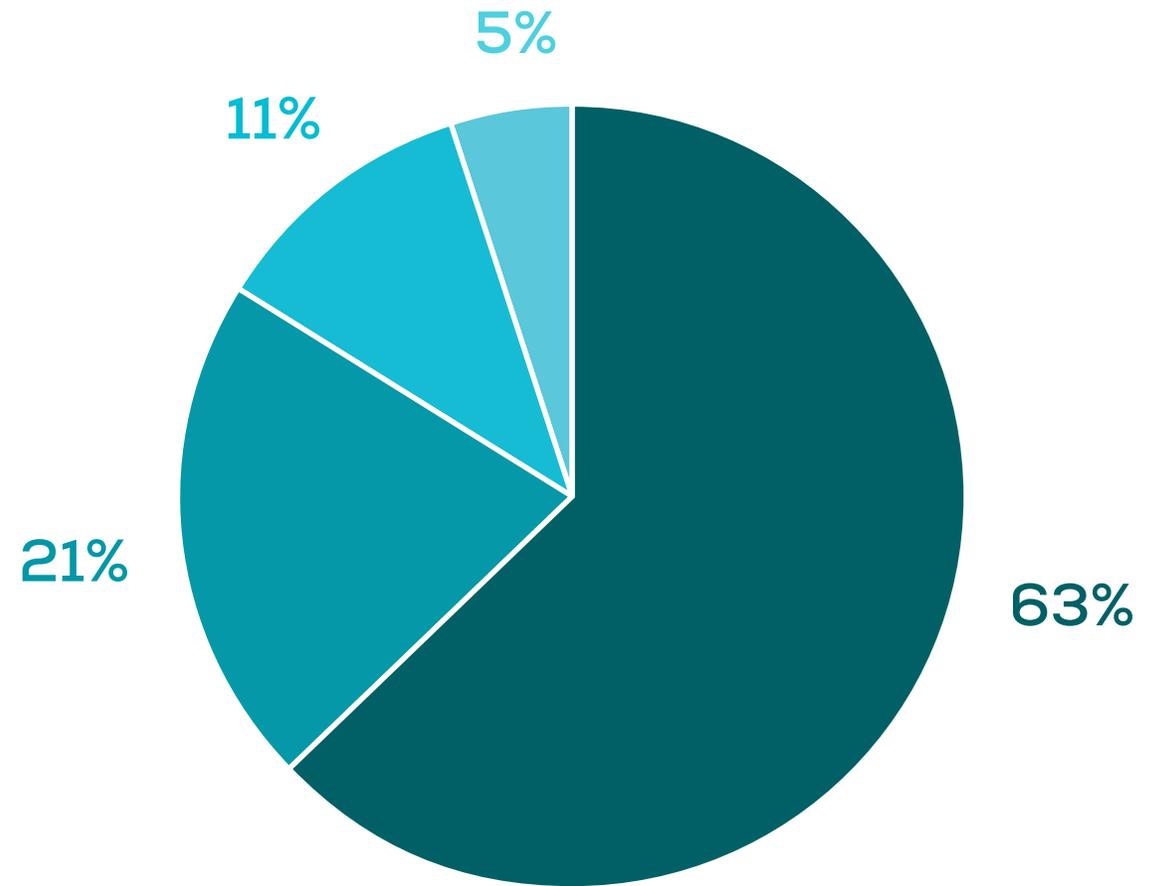
Does your compliance program require formal documentation/coding audits of your medical providers?



02

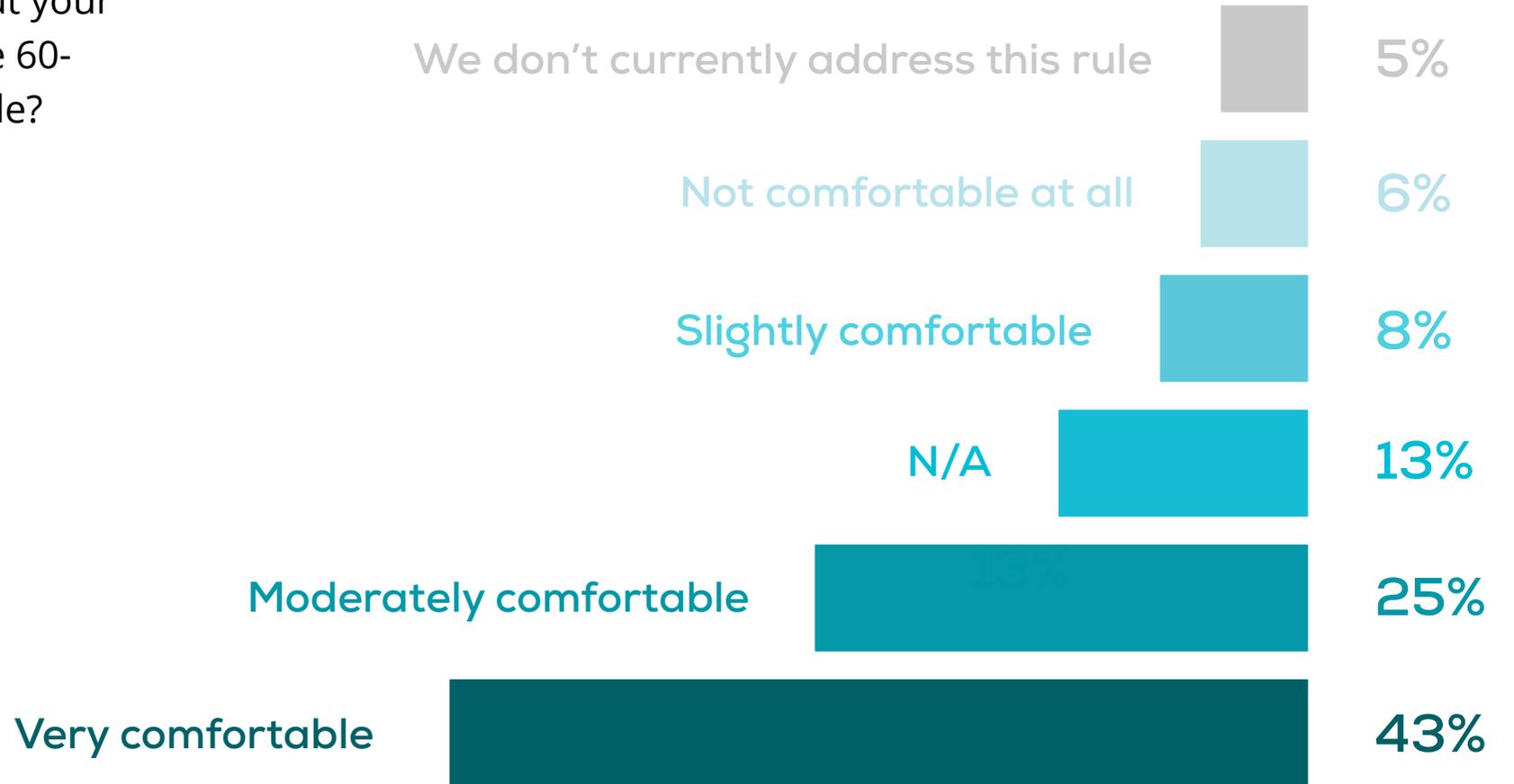
Does your compliance program have a written policy/procedure that specifically addresses the rules in the 60-day repayment (overpayments) rule?

- Yes
- I'm not sure
- No
- N/A



03

How comfortable do you feel about your organization's compliance with the 60-day repayment (overpayments) rule?



Staying Current on Rules & Regulations

A SHARED CHALLENGE

Healthcare compliance is complex and evolving. It's important to stay up to date on changes and anticipate changes to regulatory requirements that take effect in the future.

Survey respondents stated that their number one challenge was staying current on laws and regulations (40 percent). More than 76 percent of survey respondents stated that they utilize government websites and documents to stay up to date on current laws and regulations. This means the majority of you are on the right track!

RECOMMENDED RESOURCES

Government websites such as the [Health and Human Services \(HHS\)](#), the [Office of Inspector General \(OIG\)](#), as well as your state-specific health departments' websites, contain valuable up-to-date information, guidance, and trends. The OIG frequently provides information on [what's new](#), [what's trending](#), and a [list of the most recent enforcement actions](#). You can also subscribe to the OIG newsletter to stay apprised of major changes and news.

Other great resources include industry-specific professional organizations such as [Health Care Compliance Association \(HCCA\)](#) and the [American Health Law Association \(AHLA\)](#). These professional associations notify their membership of changes, especially when it is a major change that will impact their members. Participating in industry-specific professional organizations will also allow you to connect with other compliance professionals that are working in your same specialty and build relationships to keep each other informed and apprised of changes.

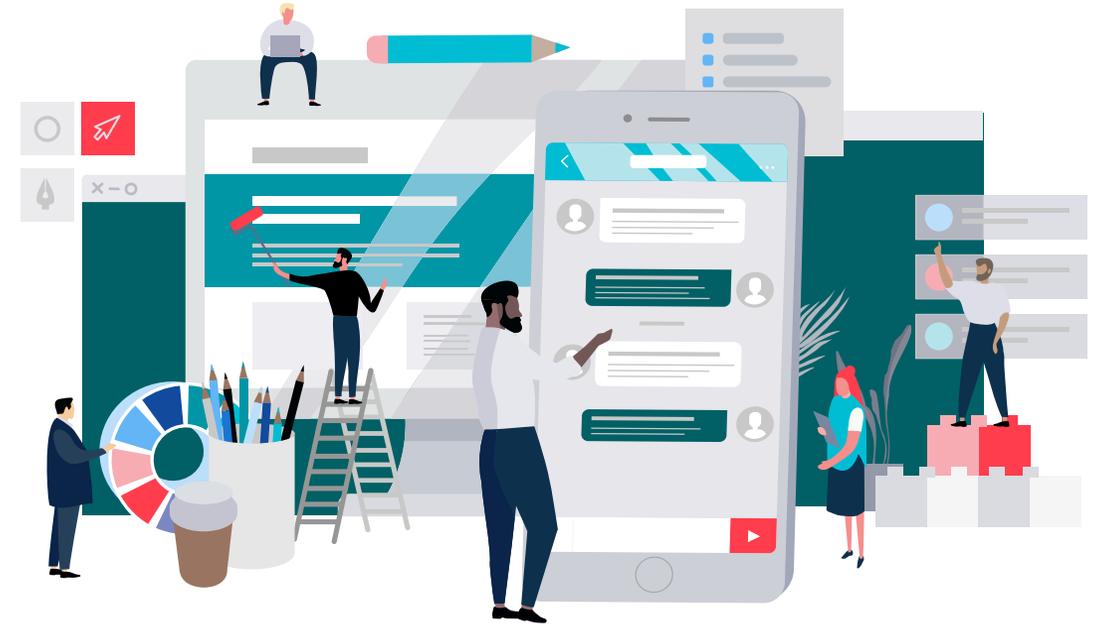


Staying Current on Rules & Regulations

MAKING LIFE EASIER

We at Healthicity are happy to [contribute thought leadership resources](#) for the healthcare compliance community through webinars, podcasts, white papers, and eBriefs on pressing issues and hot topics that affect a myriad of healthcare organizations. Additionally, our [Compliance Manager](#) software solution can connect and display RSS feeds in the software dashboard.

Utilizing these resources will help you strengthen your compliance program, remain up to date on laws and regulations, and stay on top of your organization's healthcare compliance goals.

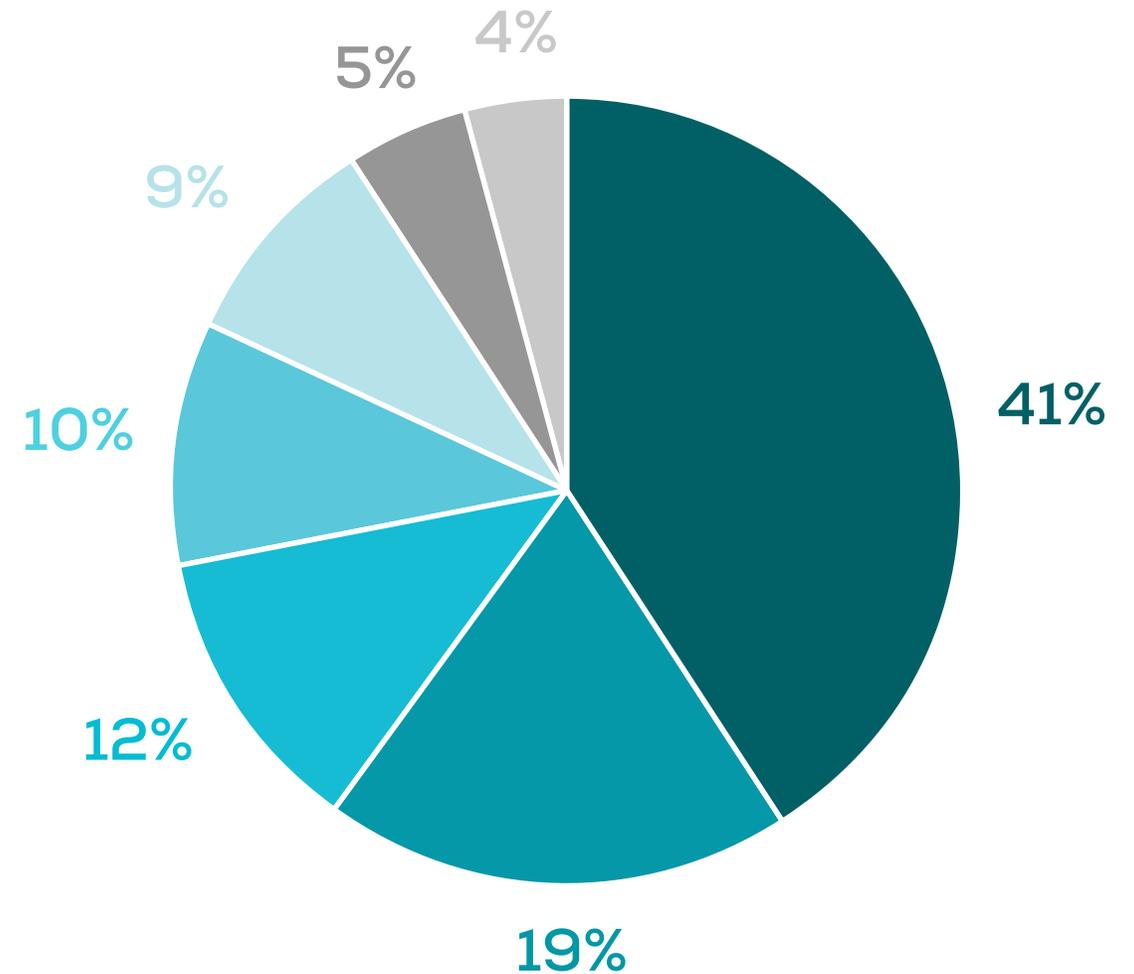


04

What do you anticipate being your single greatest challenge in managing a compliance program in 2022?

- Keeping current with the increasing volume of laws and regulations
- Securing resources to effectively manage our program
- Completing risk assessment and creating an annual work plan
- Training our staff
- Tracking compliance program activities and data
- Obtaining executive leadership buy-in
- Other

Staying Current on Rules & Regulations



Staying Current on Rules & Regulations

05

Which resource do you anticipate relying on most for your compliance information this year?



Making Your Compliance Program More Effective

ASSESSING YOUR PROGRAM

The results of our survey note that 74 percent of the respondents currently conduct annual compliance assessments. We hope that many organizations are using these assessments to add activities into their annual compliance workplan. The next step that we encourage is using this information to grow and mature compliance programs.

What comes to mind when you think of maturing your organization's compliance program? Do you think of policies, education, and presenting information to your board of directors? Or are you considering how you serve the individuals listed in your Code of Conduct or Ethics?

Many compliance officers find their passion in serving their organization's workforce, the communities they live and work in, and ultimately — the patients who need healthcare services. Considering this responsibility,

compliance officers must all be compelled to improve the way we operate and connect with individuals in our compliance programs.

OPTIMIZING YOUR PROGRAM

One of the most effective ways to grow in compliance comes from studying past behaviors. These include (but are not limited to):

- Training completion percentages
- Analyzing suspected violations of rule, law, or policy
- Examining trends in suspected non-compliant activities
- Evaluating the compliance knowledge and awareness of your organization's employees and providers

Using tools to help communicate this information and make informed decisions is vital to a compliance program's success.



Making Your Compliance Program More Effective

These questions can help you identify some quick strategies to improve your effectiveness.

- How often do you connect with department leaders?
- Do you have opportunities to walk through or “do rounds” in the functional and clinical areas to connect with your front-line workforce?
- Do you ask random employees, “do you know who your compliance/ privacy officer is?” Or “do you know how to reach them directly or via the compliance hotline?”

Things that take a little more time, but are worth your investment, include conducting exit interviews with individuals leaving your organization and reviewing job descriptions to ensure compliance activities are included in strategic positions’ duties.

PEOPLE MATTER TO YOUR PROGRAM

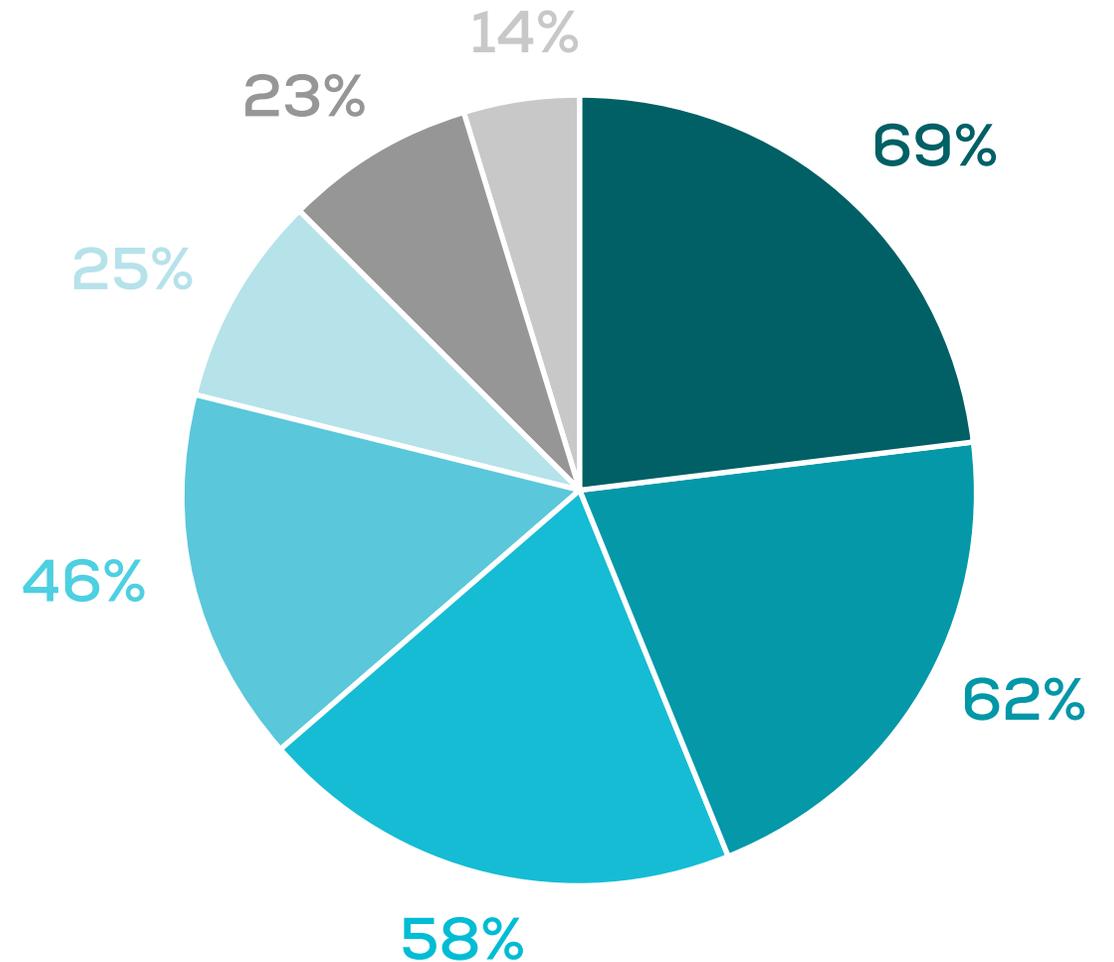
Simply put, to manage effective growth and maturity in a compliance program, compliance professionals should frequently connect with the people in their workforce — providers, clinicians, department leaders, administration, and patients. Connecting with people requires a significant time investment. Implementing effective tools can create efficiency and add valuable time back to your compliance team, enabling them to connect with the most important aspect of any compliance program — the people.



06

What do you anticipate being your single greatest challenge in managing a compliance program in 2022?

- Update policies and procedures
- Conduct additional employee training and/or microlearning
- Perform additional compliance audits
- Complete annual HIPAA Risk Assessment
- Improve executive leadership buy-in
- Implement compliance management software
- Outsource a program audit/review

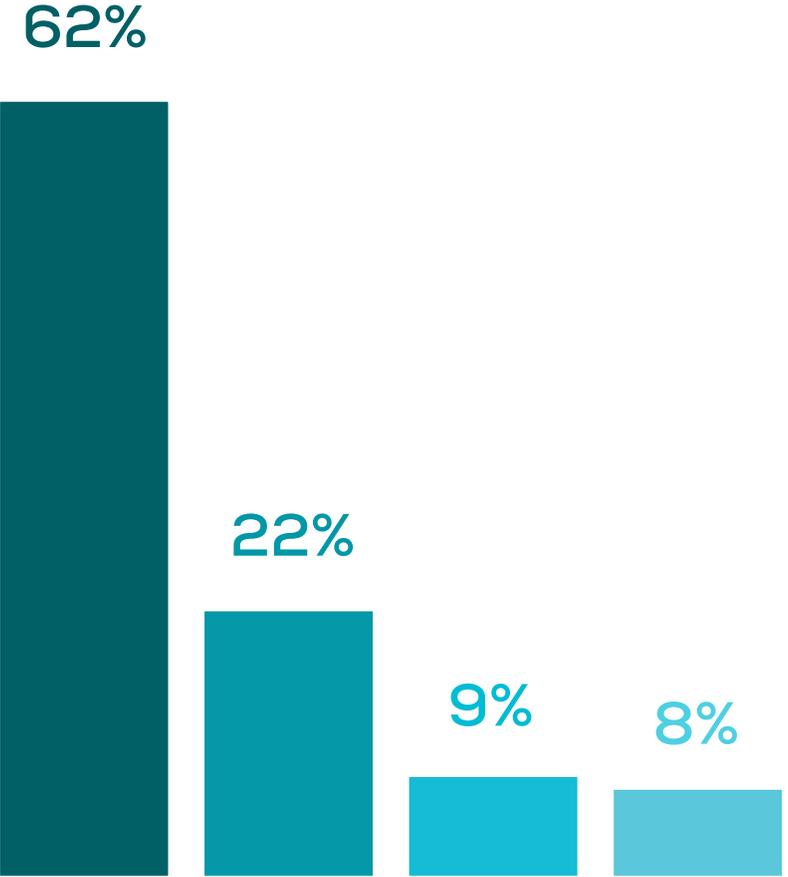


Making Your Compliance Program More Effective

07

How does your compliance program demonstrate organizational compliance?

- Internal audit and assessment results
- Completion and pass/fail results from employee training
- Internal compliance survey
- External/third-party reviews or audits



08

Do you leverage software when conducting your risk assessments (program and/or HIPAA assessments)?



Managing a Large vs Small Compliance Program

ONE SIZE FITS ALL?

The [OIG](#) has published compliance guidance that states there is not a single, best, one-size-fits all compliance program structure. They allow and encourage compliance programs to be tailored to the needs and environment of each organization.

For example, the [OIG compliance guideline for physician practices](#) states, “by implementing an effective compliance program, appropriate for its size and resources, and making compliance principles an active part of the practice culture, a physician practice can help prevent and reduce erroneous or fraudulent conduct in its practice.”

The phrase “appropriate for its size and resources” is important to recognize. Just because a compliance program is small doesn’t mean it is not effective. Similarly, a large compliance program is not automatically effective just because it is large.

FINDING THE RIGHT SIZE FOR YOU

Many respondents to our survey were from larger healthcare systems (many beds, many physicians, many employees) with a large compliance department, but most respondents indicated a small compliance department.

Digging into the resources appropriate for your compliance program’s size will help you find your best practices. We encourage you to network via LinkedIn, professional associations, in-person events, etc., to find peers that can help you optimize your program. And there is always professional help through consulting, [including with Healthicity](#).

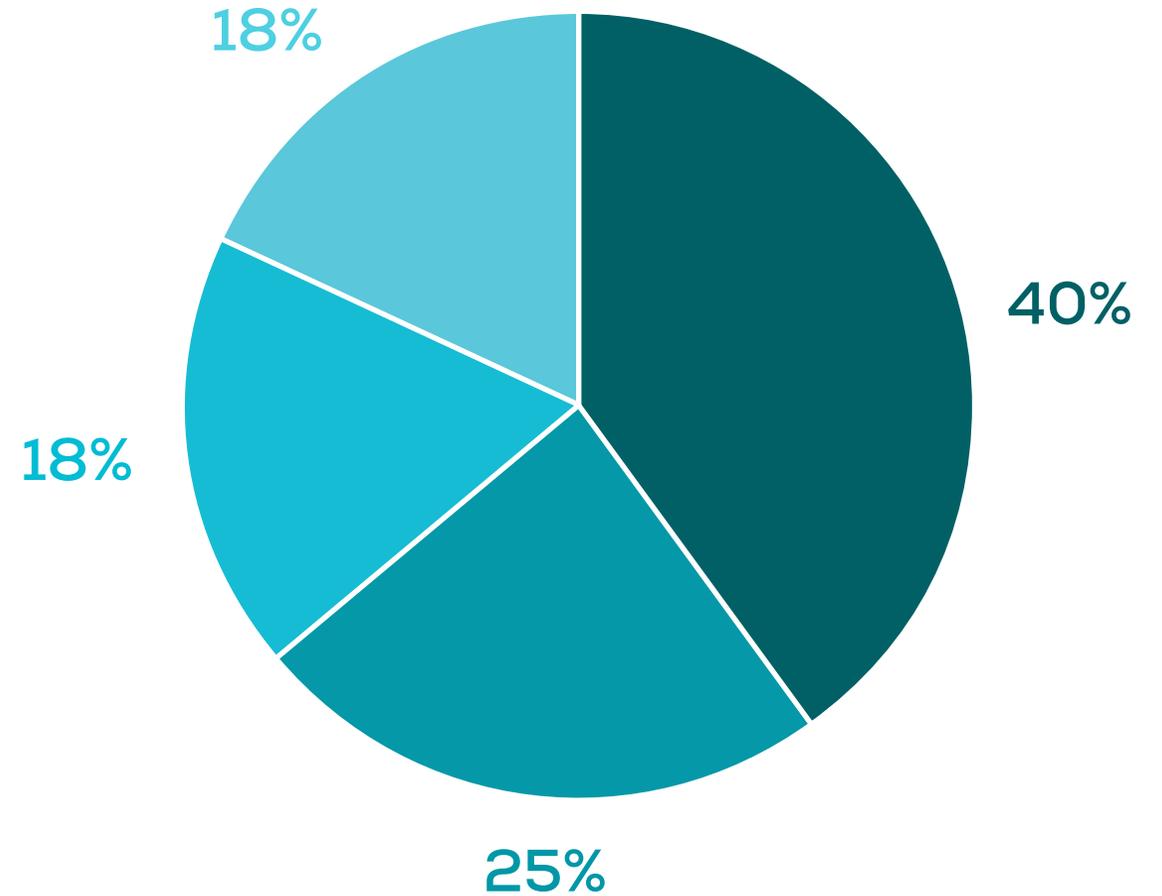


Managing a Large vs Small Compliance Program

09

How many total employees are in your compliance program?

- 2-5
- More than 10
- 5-10
- 1

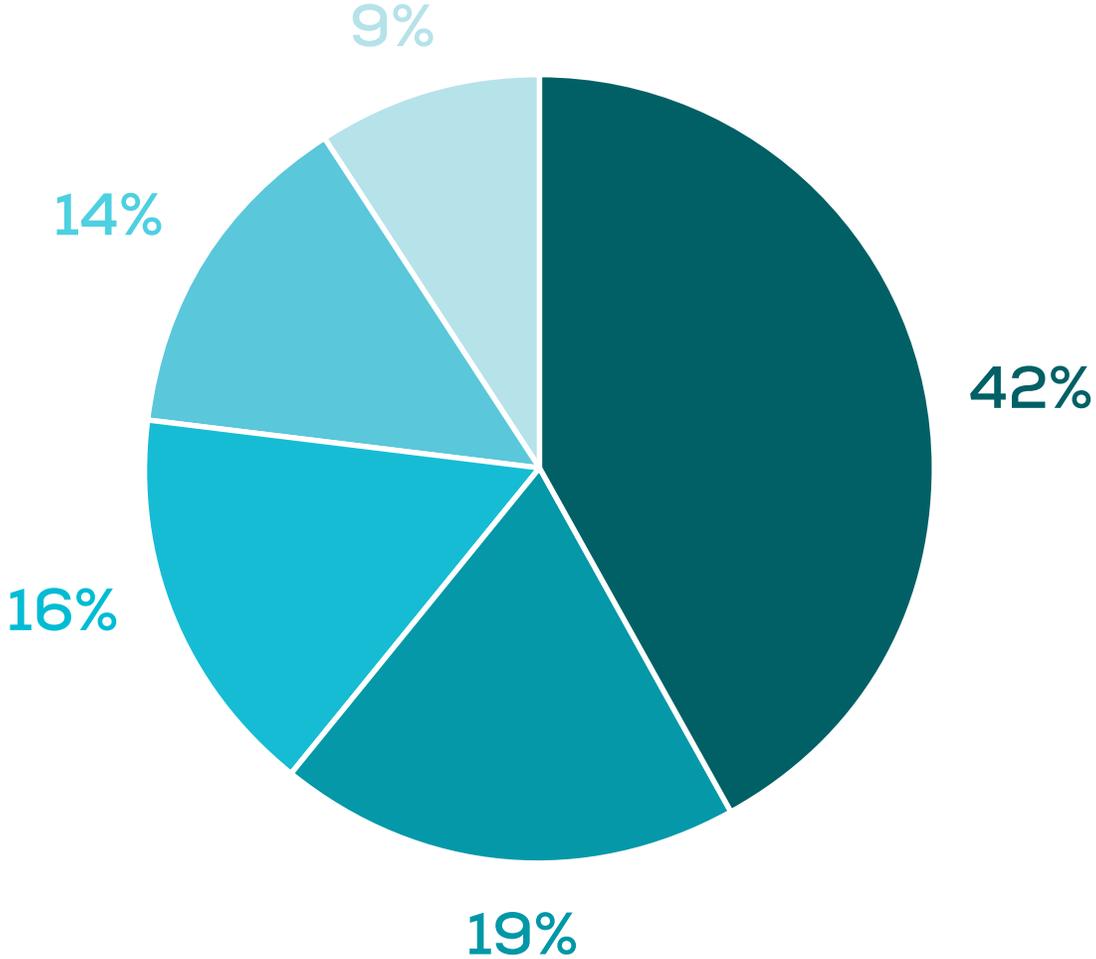


Managing a Large vs Small Compliance Program

10

How many total employees does your organization employ?

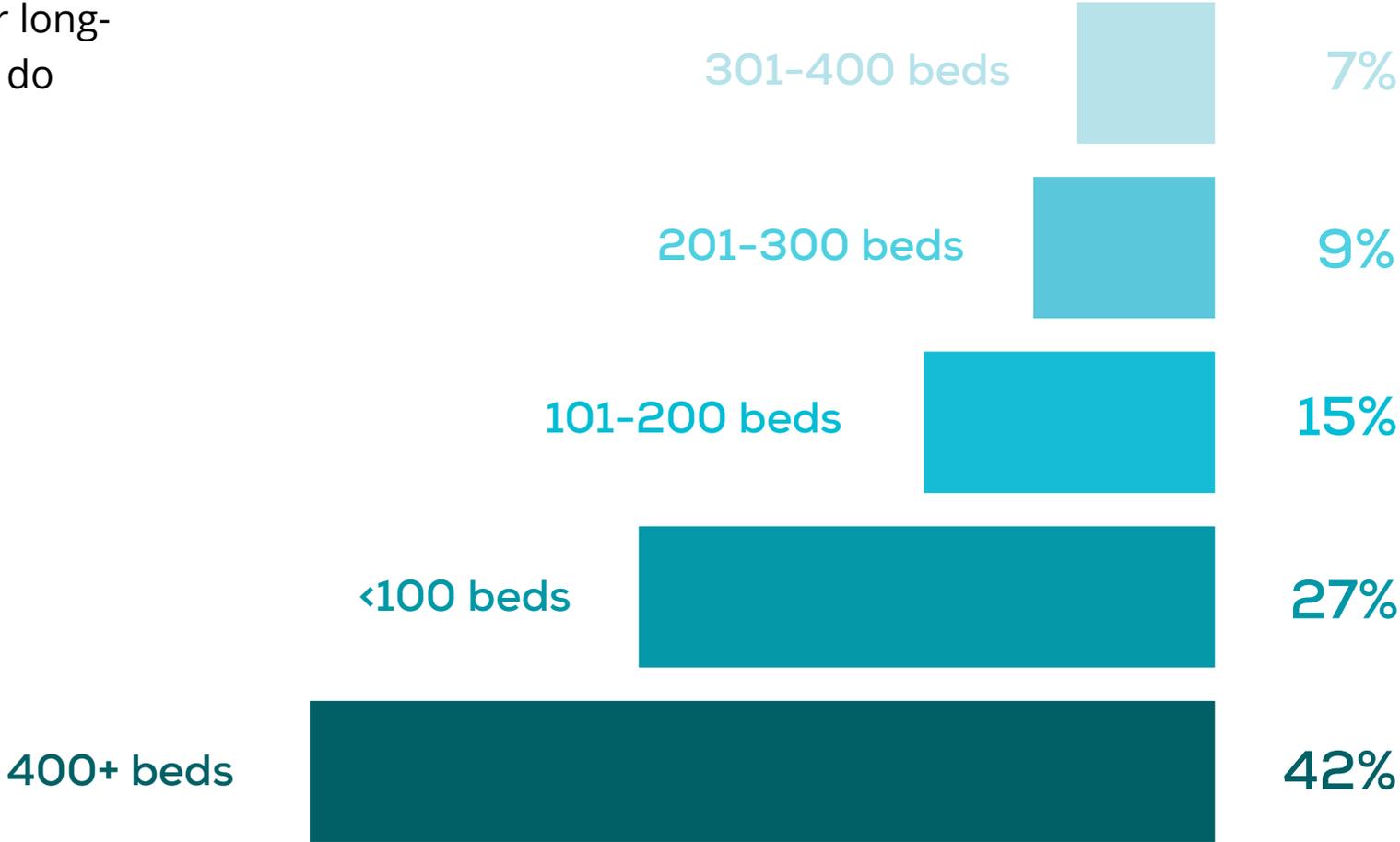
- 1,000+ employees
- 51-200 employees
- 401-1,000 employees
- 1-50 employees
- 201-400 employees



Managing a Large vs Small Compliance Program

11

If you work at a medical center, hospital, or long-term care facility, how many licensed beds do you have?



Summary

OUR SUBJECT MATTER EXPERTS' PREDICTIONS FOR THE NEXT FEW YEARS

Healthcare compliance is an ever-maturing, ever-changing profession. Expectations for “upping our game” are always present. For example, auditing and monitoring is good, but using data analytics to identify the “needle in the haystack” is probably better. Providing compliance training is good, but evaluating the effectiveness of the training is better.

Does the training change the behavior you are trying to address or does the training simply check a box? Policies and procedures are good, but monitoring how often employees are accessing those policies and procedures is better. Integrating policies and procedures into training is better still.

To get a clear sense of how much more sophisticated the expectations for compliance professionals have become, we encourage you to [watch the Inspector General’s keynote address](#) at the 2022 HCCA Compliance Institute.



About Healthicity

MORE ABOUT THE SUBJECT MATTER EXPERTS WHO CONTRIBUTED TO THIS REPORT:



CJ Wolf

MD, CHC, CPC, CCEP, CIA

CJ Wolf is a healthcare professional with more than 20 years of experience in hospital and physician revenue cycle, practice management, compliance, coding, billing, and client services. He has provided healthcare consulting and solution services to hospitals and physician organizations throughout the country.



Brian Burton

CHIEF COMPLIANCE & PRIVACY OFFICER

Brian Burton has worked in the healthcare industry for more than 15 years. During that time, he has developed, implemented, and provided oversight for Compliance and Privacy programs while working with more than one hundred healthcare facilities.



Dara Johnson-Ayodele

JD, DIRECTOR OF ADVISORY SERVICES

Dara Johnson-Ayodele has 10 years of experience in the healthcare law and compliance industry. She served as the director of the State of Minnesota's Health Insurance Subsidy Program, where she was responsible for the development and implementation of a \$300 million program.



About Healthicity

HEALTHCARE + SIMPLICITY = HEALTHICITY

We are driven by the idea that with the right tools, every healthcare organization can simplify its compliance and auditing management and focus on what matters most: its patients.

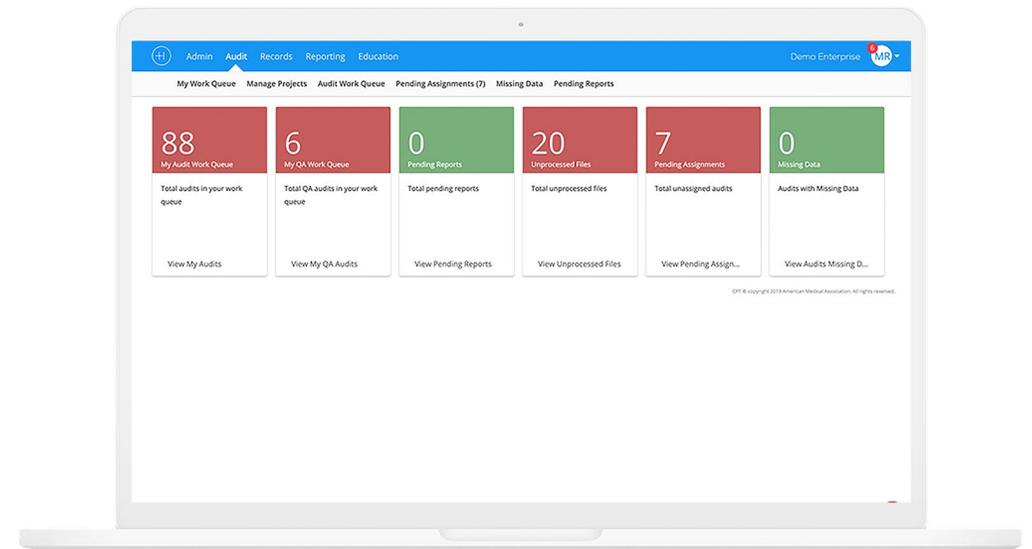
OUR SOLUTIONS

Audit Manager

[Streamline the way you manage audits](#) by merging audit workflow, management, education, and reporting into one easy-to-use, web-based solution. Designed by auditors, for auditors, Audit Manager allows you to audit on your terms through immediate reporting, template customization, and total oversight of your entire audit program. Features include:

- Customizable Templates
- Risk Adjustment
- E/M Calculator
- Education Modules
- Built-in Tableau Reporting

[WATCH ON-DEMAND DEMO](#)

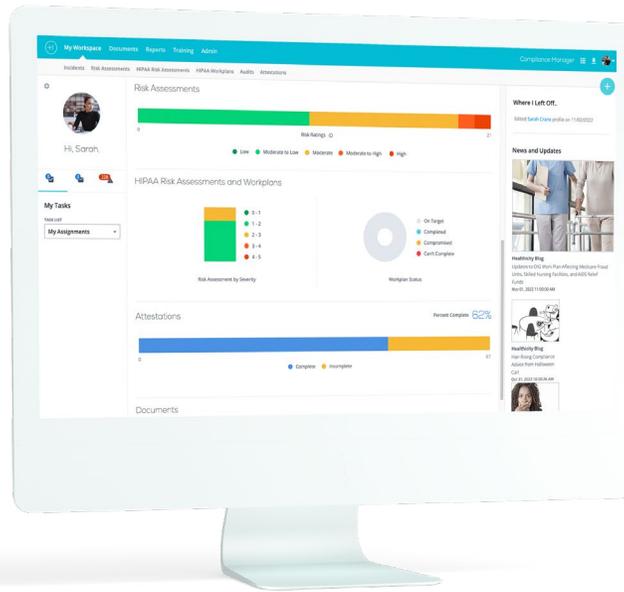


About Healthicity

Compliance Manager

Featuring a customizable workspace and real-time reporting, [Compliance Manager will simplify your compliance challenges](#). Whatever compliance challenges you may face, you can manage your entire program in one easy-to-use application. Features include:

- Dashboard Reporting
- Audit Management
- Risk Assessment
- Incident Management
- Exclusion Monitoring
- BA Management



[WATCH ON-DEMAND DEMO](#)

Compliance Consulting Services

Our compliance experts with decades of industry experience can help your organization protect itself from violations, fines, and revenue loss. [We help organizations strengthen their compliance programs and protect their organizations.](#)

Services include:

- Program Assessment
- Effectiveness Review
- Advisory Services
- HIPAA Privacy and Security Services

**For more on Healthicity's suite of solutions,
please visit healthicity.com or call 877.777.3001**