



2023

Annual Auditing Benchmark Report

Over 800 professionals shared their insights with us, and we conducted an in-depth analysis of the data and trends.

Introduction

Hello Healthcare Compliance and Auditing Experts,

Welcome to our Annual Checkup Report! It's easy to get caught up in the demands of work, and this is your reminder to take a quick break and assess how your programs measure up.

The healthcare landscape is continually evolving. Regardless of your role, we've crafted this combined report to facilitate connections with your peers, share insights, and keep you informed about new challenges and opportunities.

Over 800 professionals from across the U.S. generously shared their insights with us, and we conducted an in-depth analysis of the data and trends.

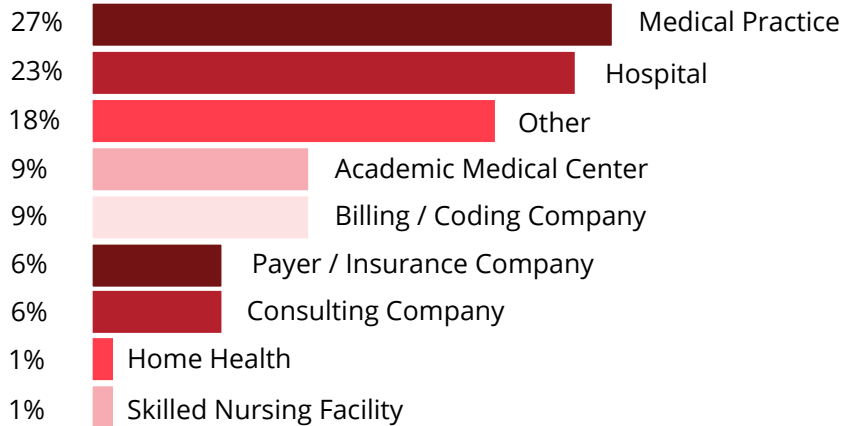
We hope this report will be valuable to you and your organization. Thank you for dedicating your time to review it!

The Healthicity Team

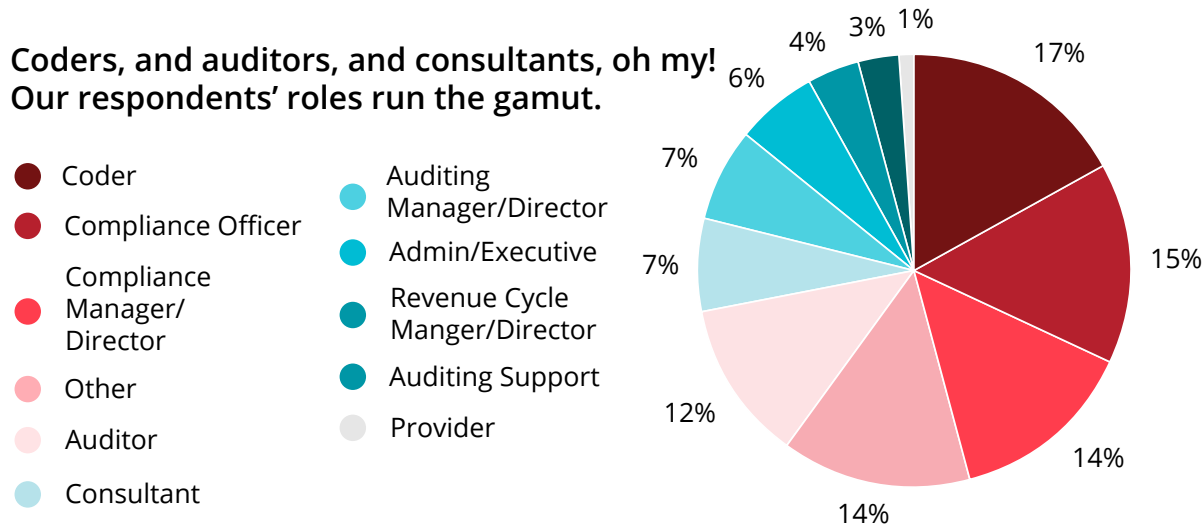


Demographics Snapshot

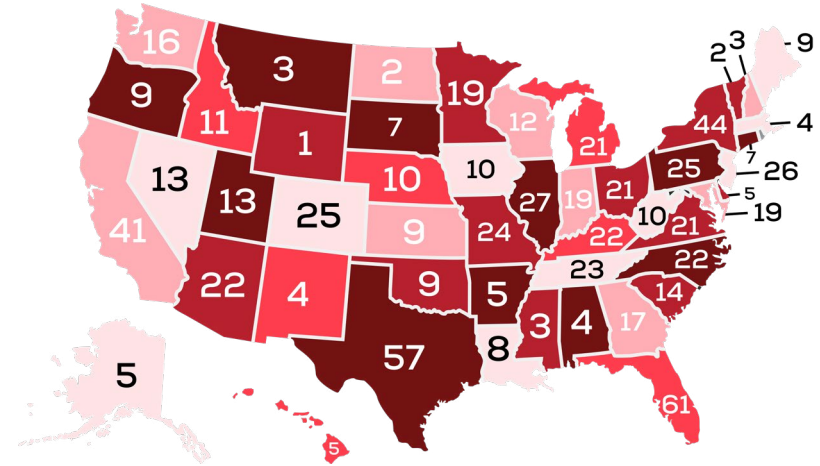
Let's take a quick peek at some survey demographics before we dive into the data:



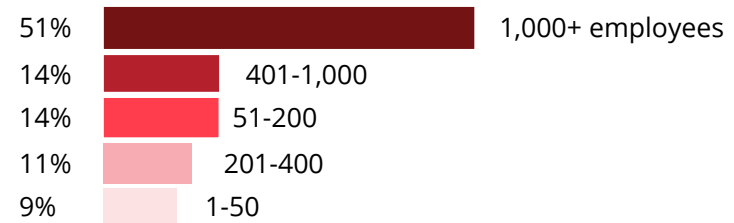
Coders, and auditors, and consultants, oh my!
Our respondents' roles run the gamut.



Our survey respondents cover the country! Here's a look at their locations:



Survey respondents work everywhere from smaller organizations to large health systems.



The Greatest Challenge Facing Auditing Programs	05
Defining Auditing Program Effectiveness	08
Reducing Audit Errors	10
Improving Training and Documentation	12
Making the Grade	15
What's Ahead in Auditing? Expert Insights on the Future	20

The Greatest Challenge Facing Auditing Programs

With constant industry changes, staffing shortages, and other roadblocks, it's no wonder that two responses were nearly tied for the biggest issue facing auditors and auditing programs.

Having the resources to conduct audits had a razor-thin margin over *keeping current with laws and regulations* (which was last year's leader).

The healthcare industry is under immense pressure to do more with less – less resources, less staff, less time. That's readily apparent in our survey, as auditors and coders face the task of staying up to date on new regulations while trying to navigate the challenges of strained resources.

The 2023 E/M guidelines are also presenting some challenges for auditors and coders, with the *number and complexity of problems addressed during the*

encounter coming in as the leading cause of coding confusion. (Looking for a quick refresh? Check out this [webinar](#).)

Leveraging the right software can save time and streamline processes, especially when resources are limited. Our survey showed that 62% of respondents are still using Excel to record audit results and 39% don't use software for coding encounters.

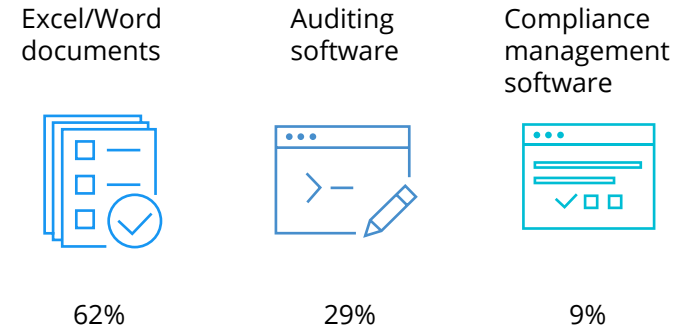
While those numbers are slowly declining from last year's survey, they still represent a vital opportunity for healthcare organizations to implement software programs that can make life easier for auditors and coders.

The Greatest Challenge Facing Auditing Programs

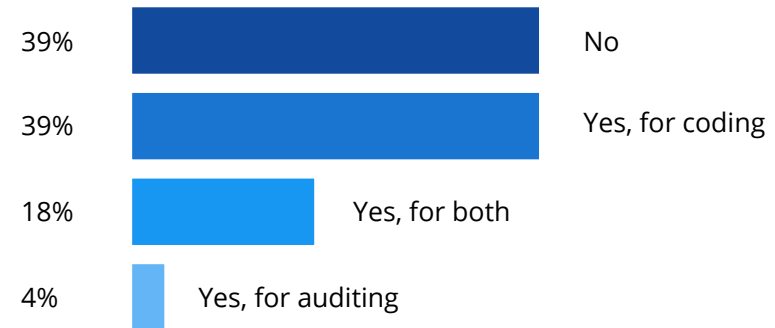
What do you anticipate will be your greatest challenge in managing your auditing program?



How do you record audit results?

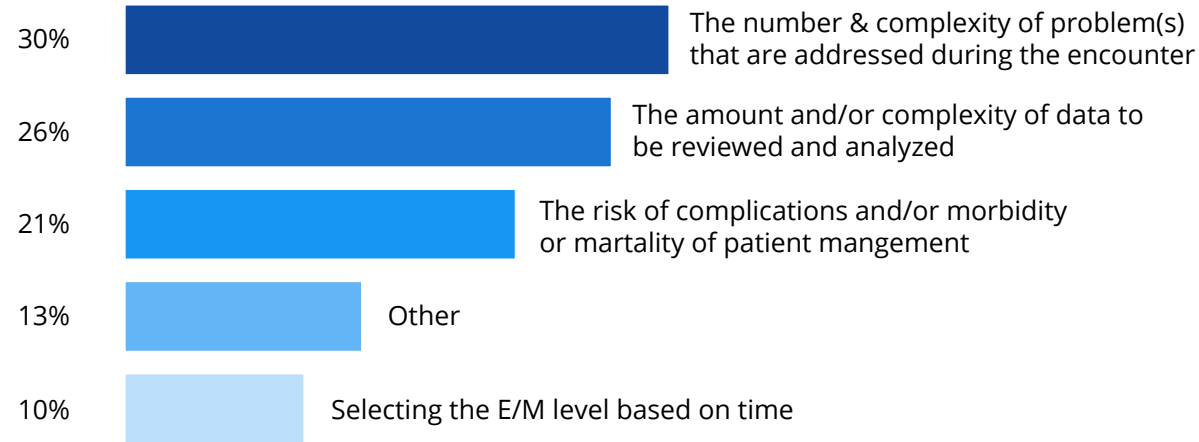


Does your organization use computer assisted coding software for coding encounters?

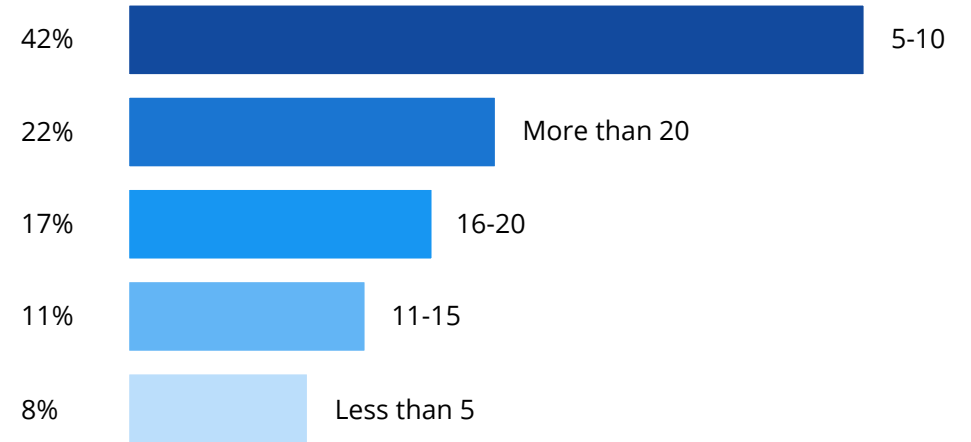


The Greatest Challenge Facing Auditing Programs

What is the greatest challenge your organization is facing in regard to the new 2023 E/M Guidelines?



How many encounters or dates of services does your organization audit for each provider, coder, department?



How many audits do your auditors typically complete in a week?



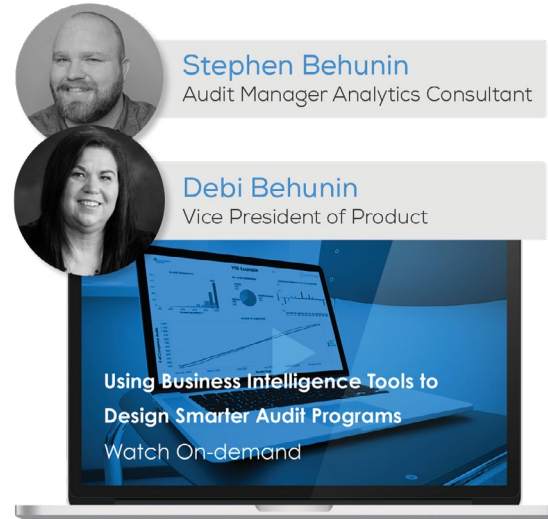
Defining Auditing Program Effectiveness

How do you know your audit program is effective?

That answer might vary for different organizations, but most respondents said their effectiveness is directly tied to a reduction in errors and training needs. And most respondents rated their program effectiveness an eight out of 10. Now, there's nothing wrong with a B grade, but that leaves some room to get into A territory.

Data is everywhere these days, so organizations can harness the power of their data to improve their programs. Whether you're reviewing trend analysis and void reports or putting employee training under the microscope, you can create solutions grounded in data to drive effectiveness in your program. Here are some [helpful ways](#) to use business intelligence programs to boost your program.

With so much data at our fingertips, we're entering a new era of auditing possibilities – but only if we have the processes in place to realize the benefits. By implementing a cycle of training, reporting, measuring, and evaluating, you can continuously monitor your program's effectiveness and course-correct when necessary.



Using Business Intelligence Tools to Design Smarter Audit Programs with Tableau

Imagine business intelligence tools as your trusty sidekicks, whispering sage advice while you navigate the treacherous waters of auditing land.

[Watch Now >>](#)

Defining Auditing Program Effectiveness

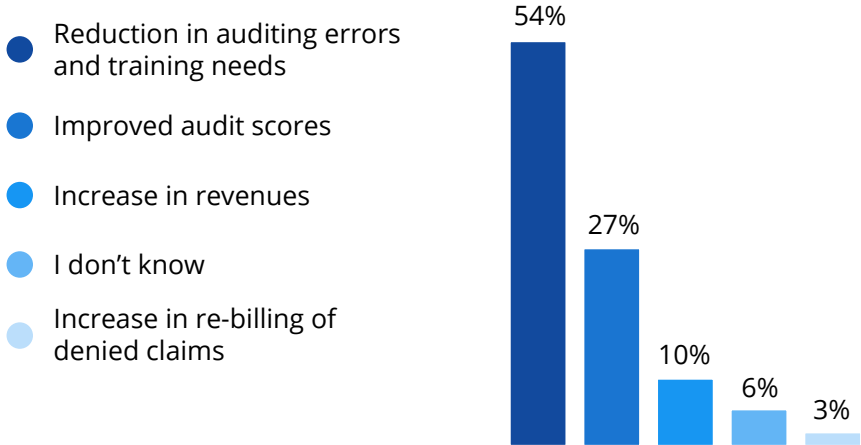
What drivers do you consider when planning your audits?



How would you rate the overall effectiveness of your auditing program?



How do you define effectiveness?



Reducing Audit Errors

We aren't finished covering error reduction, as it's a central focus of any auditing program.

Even if your program is effective at capturing most errors, remember that even a five percent error rate can incur significant costs for your organization. Strive for a granular level of scrutiny to minimize these expenses.

You can also use data like void reports to spot trends and address issues before they escalate. If void reports are a notable source of errors, dedicate efforts to scrutinizing them and provide training to your staff on identifying the reasons behind voids. Often, reasons for claim denials can be found on payor websites, along with specific criteria. Review payor rules and conduct training sessions to educate your staff accordingly.

Auditor screening represents a large opportunity for improvement, as more than half of respondents didn't know if their organization screen auditors for inclusion in the sanctions list.

Talk with your team about potential weak spots, trends, and strategies to reduce errors often and early. By fostering a culture of collaboration and agency, you can help your team work together to reduce errors and improve your program's effectiveness.



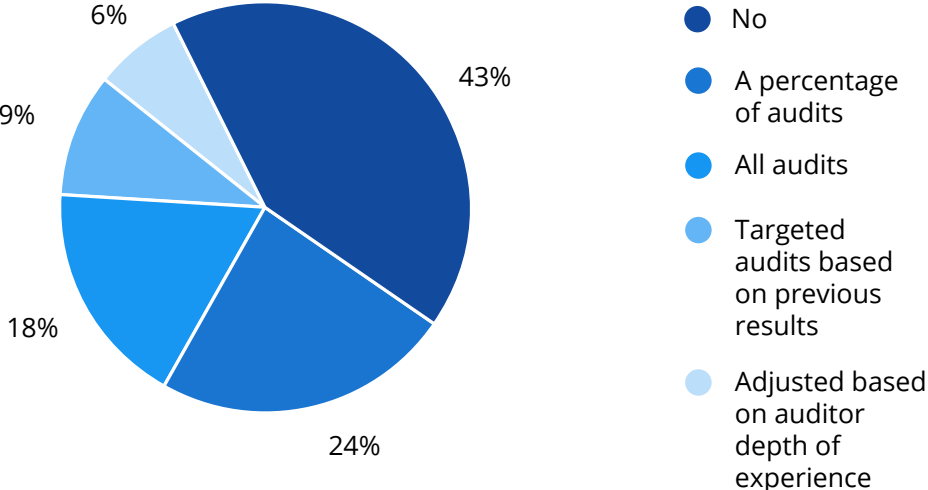
5 Ways to Uncover Lost Revenue in Healthcare Billing

Even the smallest lost revenue opportunities can make a huge impact – here are several key ways to stop revenue leaks in your organization.

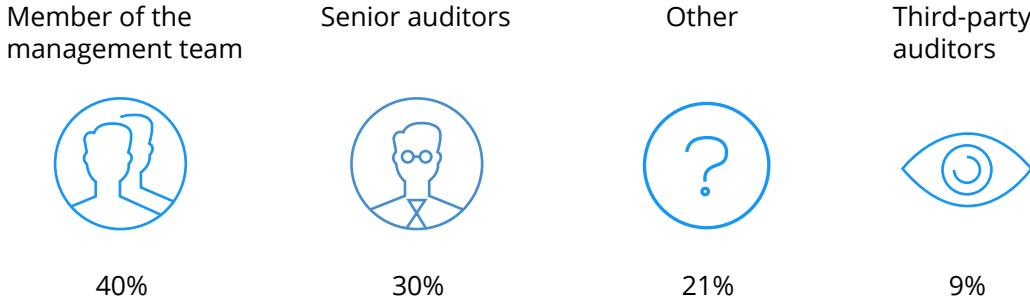
[Download Here >>](#)

Reducing Audit Errors

Do you conduct quality reviews of auditors' results?



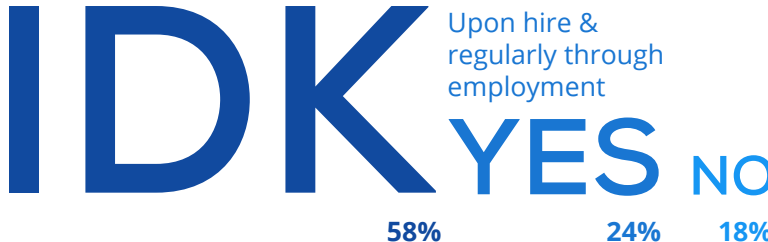
Who conducts the quality review of your auditors?



Does your organization provide an opportunity for audited individuals to dispute audit results?



Do you screen your auditors for inclusion in the sanctions list?



Improving Training and Documentation

Nearly 40 percent of respondents said that documentation represents the greatest compliance challenge to their organization this year, and 21 percent stated that staff training is the biggest challenge in managing their audit program this year.

Training and documentation are tough nuts to crack, and they always seem to cause issues for healthcare organizations. But as with anything else, consistency is key. Developing and sticking to a training schedule for auditors can help your team stay in the know on new laws and regulations and best practices.

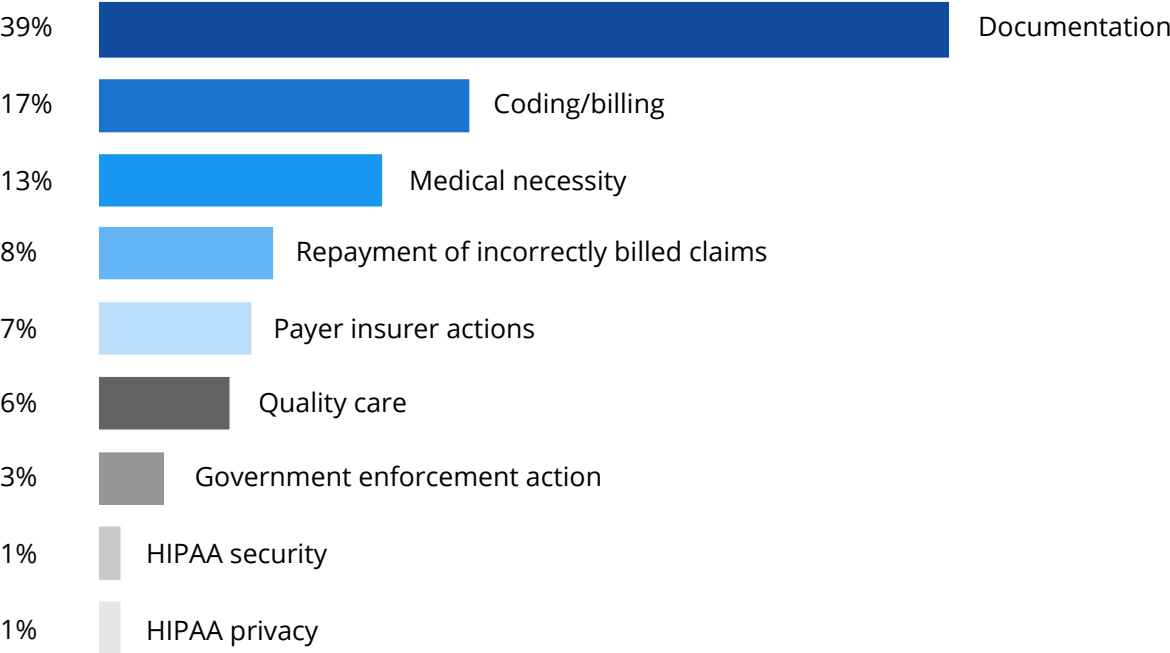
Incorporate ongoing learning by identifying webinars and conferences suitable for your team to attend. Not only can these events provide an accessible and high-quality source of training, they also offer much-

needed time to network and get out of the office. You can also compile a list of resources from industry organizations like the American Society for Radiation Oncology and the American Academy of Professional Coders. PS – did you know Audit Manager also has [training resources](#)?

Never underestimate the value of a good old-fashioned “round table.” Start discussion sessions for your team so they can collectively examine documentation and propose improvements. You can boost your efforts by implementing software to spotlight trends and missing documentation.

Improving Training and Documentation

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

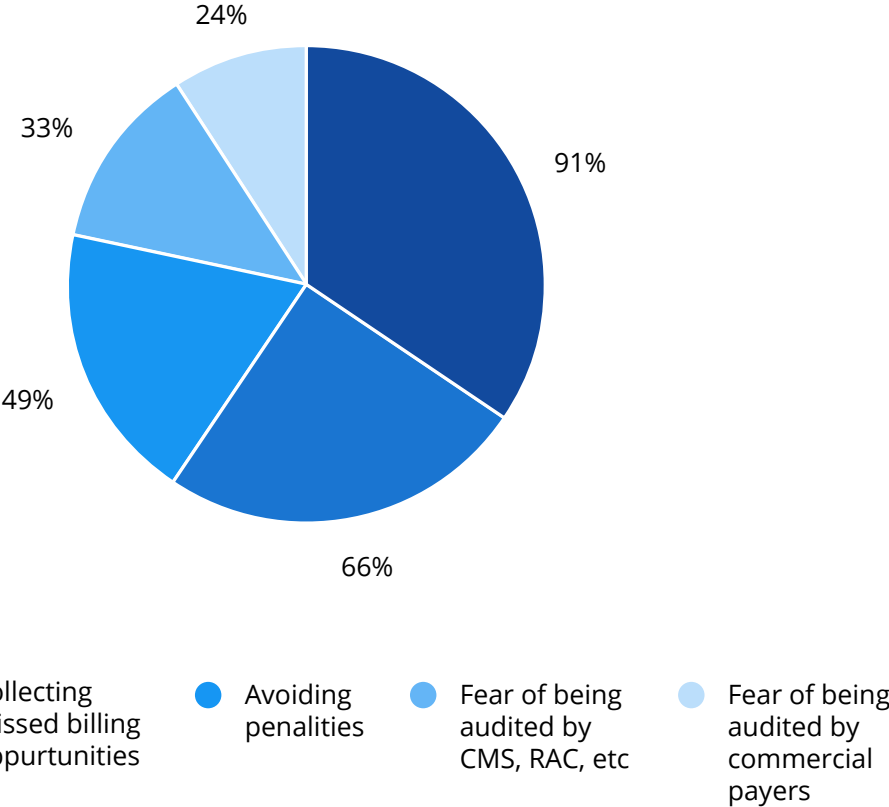


Does your organization conduct formal documentation and coding audits of your medical providers?

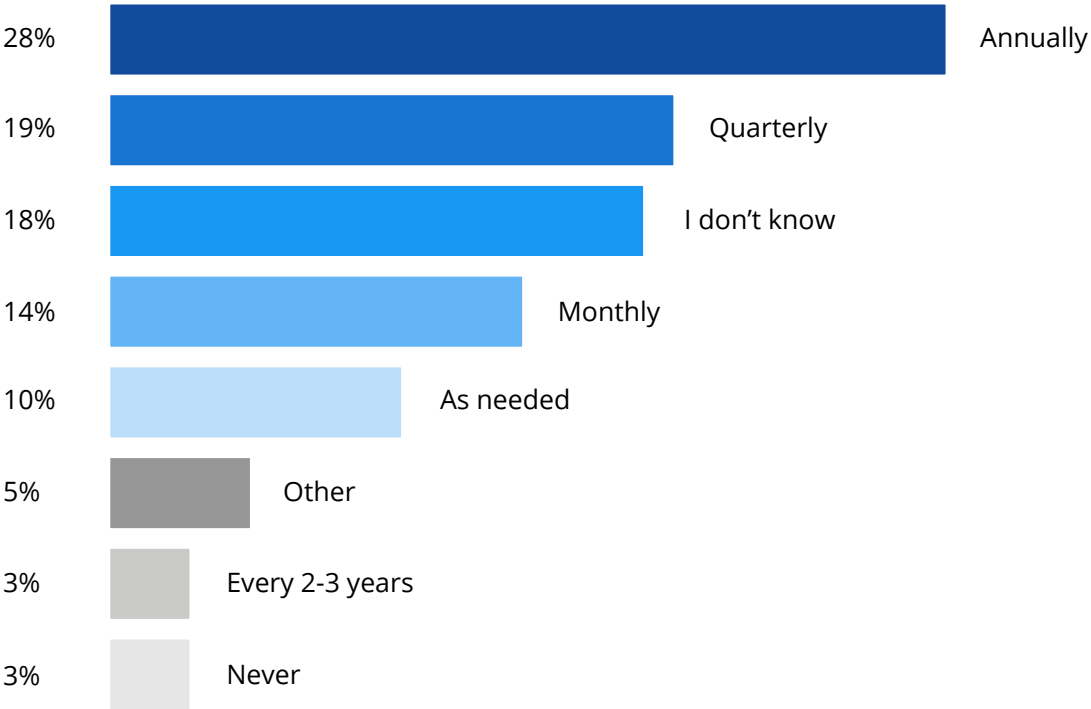


Improving Training and Documentation

Why does your organization conduct formal documentation/coding audits?
(multiple choice)



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



Making the Grade

While most of our respondents said they audit 5-10 encounters or dates of service for each provider, our experts are seeing that number rise. Our experts shared that many teams are learning that 5-10 encounters may not be enough to get a solid data set.

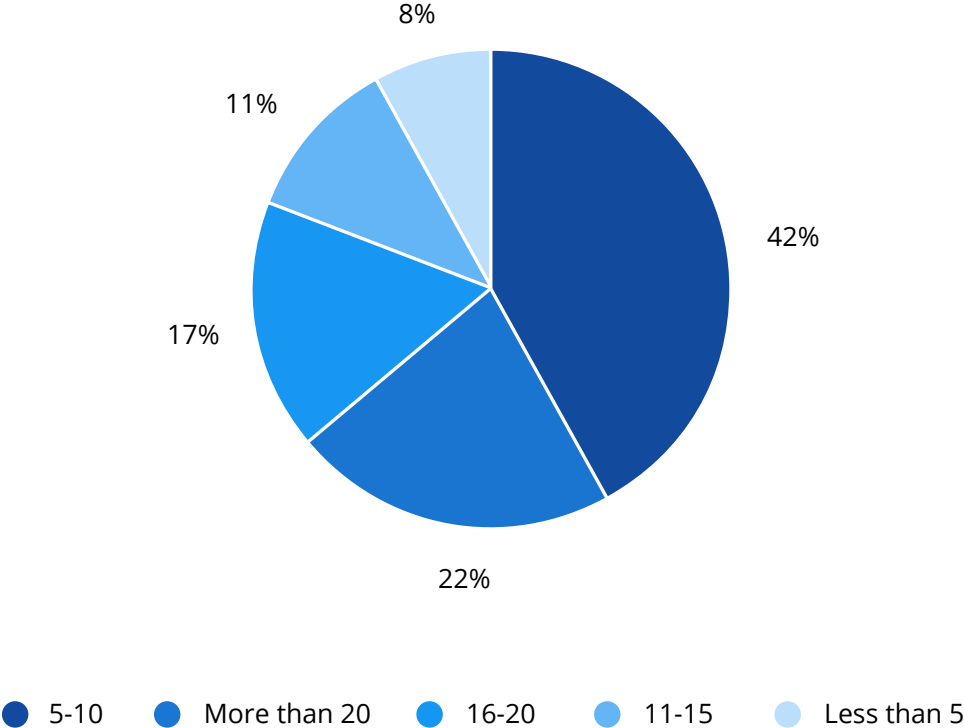
In an interesting twist, 27 percent of respondents said they don't have a pass rate threshold, and 26 percent of respondents said they require a pass rate threshold of 91-95 percent. Measuring program effectiveness is difficult without measurable benchmarks, so this is a key opportunity for improvement.

As clinicians grapple with continual changes (like the 2023 E/M coding changes), you can support your organization and your team by monitoring progress and improvements amid new laws and regulations.

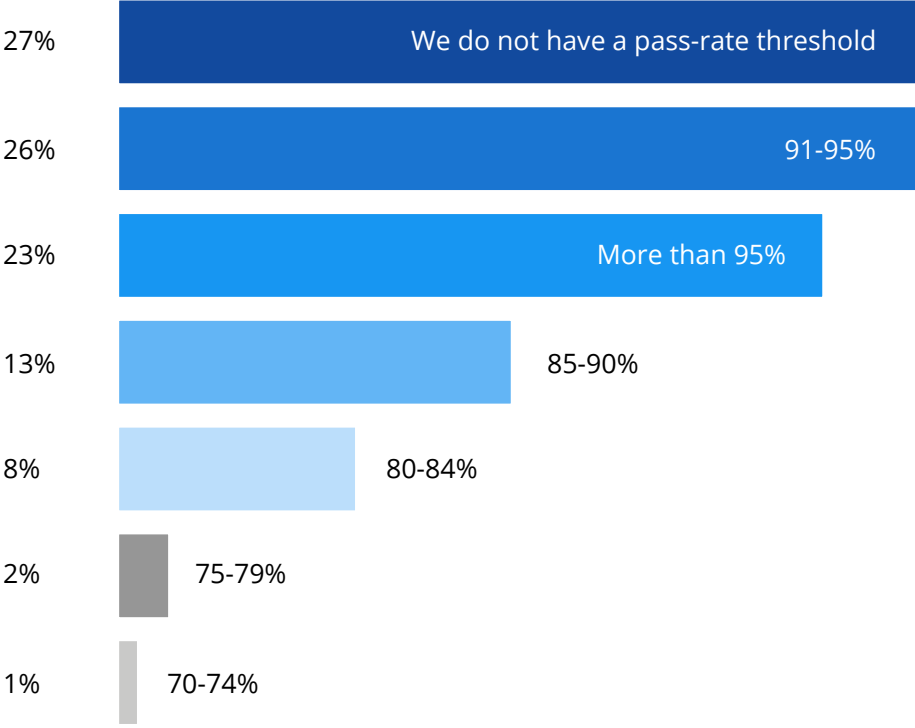
While providing scores or audit results can sometimes feel like you're giving providers a grade in school, it's important to communicate the results and talk about ways to improve. When you approach the topic in a collaborative, open way, providers are much more likely to engage in productive discussions about how they can contribute to the program's health and effectiveness.

Making the Grade

How many encounters or dates of services does your organization audit for each provider, coder, department?



Does your organization have a pass-rate threshold?



Making the Grade

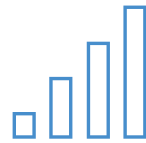
Do you benchmark providers' performance against other providers?

Yes, using data from within our organization



42%

Yes, using CMS data



32%

No, but we would like to



26%

How are audit results communicated to providers?

In person (one-on-one)



45%

Electronically



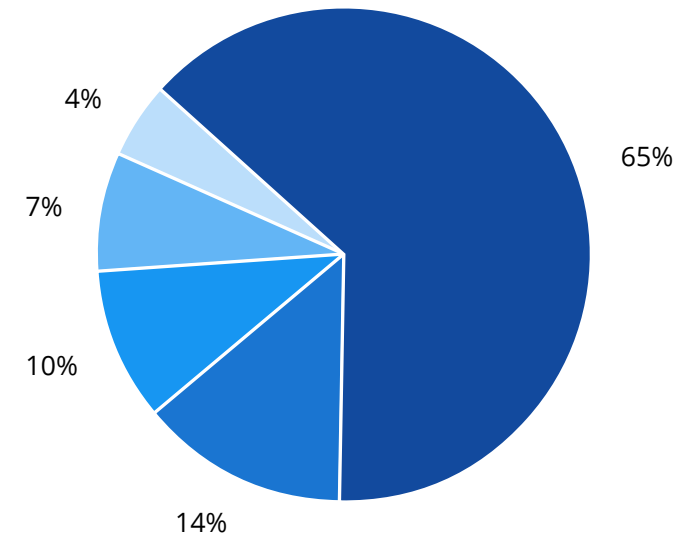
40%

Group meetings



15%

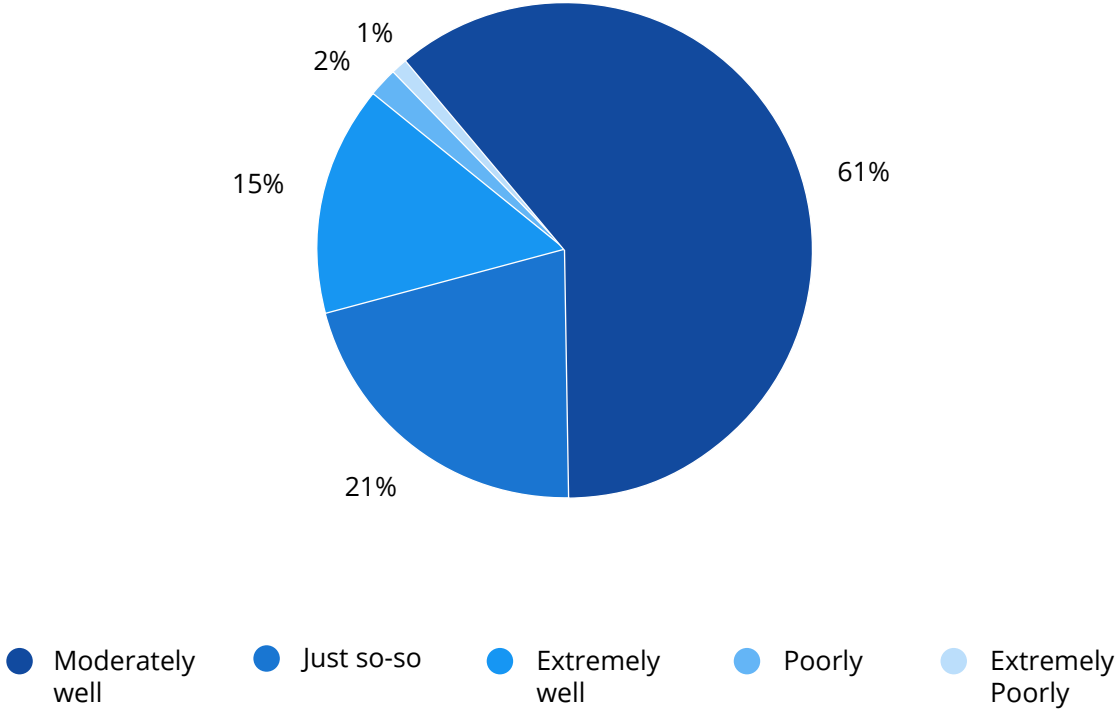
What method does your organization use to select encounters/dates of service do you coding audit?



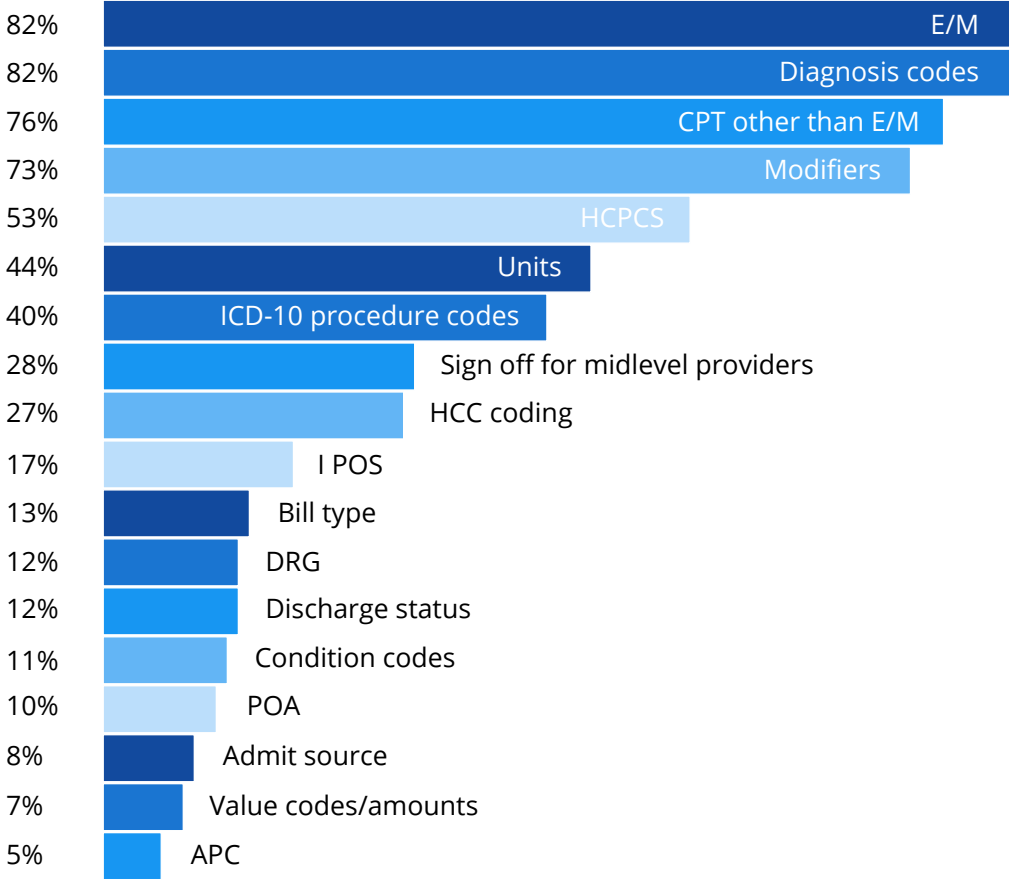
- Random sampling
- Focused review of specific codes
- Other
- Outliers identified by analyzing coding patterns
- The OIG RAT-STAT software program

Making the Grade

How well are your clinicians coding with the new 2023 E/M Guidelines?

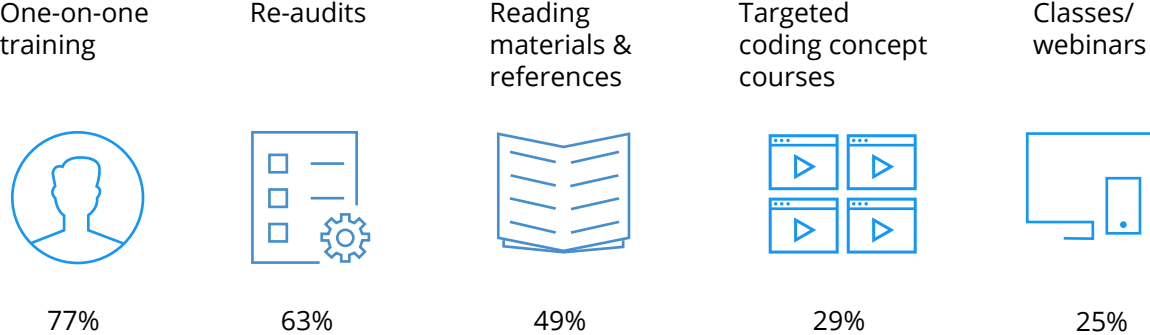


Which elements do you evaluate in audits? (multiple choice)

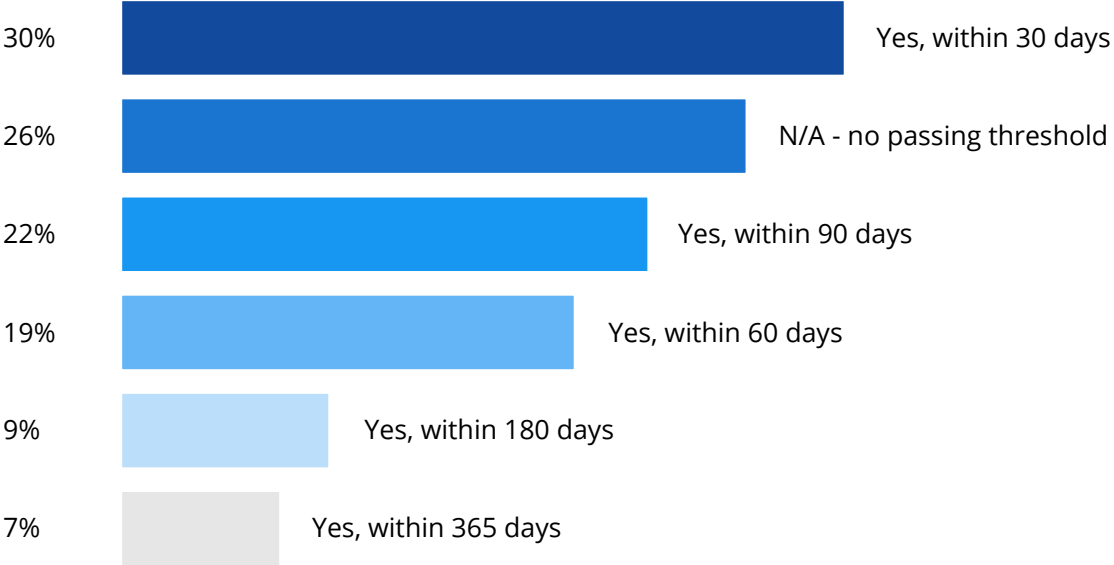


Making the Grade

When providers fail an audit, what all remediation actions does your organization take or would like to take? (multiple choice)



Does your organization require re-audits of providers who failed? (multiple choice)



Are your providers financially rewarded or penalized for passing or failing audits?



What's Ahead in Auditing? Expert Insights on the Future

Resource strain will continue to be a significant challenge for auditing programs.

Staffing shortages and retention challenges continue to underscore the need to prioritize audits based on risk factors. Identifying areas of risk, whether they pertain to high-frequency billing codes or individual healthcare providers, is crucial. Automation emerges as a powerful tool in this context, offering increased efficiency and accuracy in the face of resource strain. By embracing automation, auditing programs can alleviate resource constraints and streamline their operations, ultimately enhancing their ability to focus on high-risk areas.

In addition to automation, collaboration between compliance and auditing programs is a vital component of success for healthcare organizations.

Effective collaboration helps in pooling resources and expertise to tackle resource challenges, whether stemming from staffing shortages, financial constraints, or technological limitations.

Outdated software and solutions can increase the risk of human error, which is a critical concern in healthcare auditing. Using tools designed specifically for auditing not only mitigates this risk but also provides comprehensive data for better decision-making and program alignment.

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.

[Demo Now >>](#)