Healthicity

2023
Annual Compliance &
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.
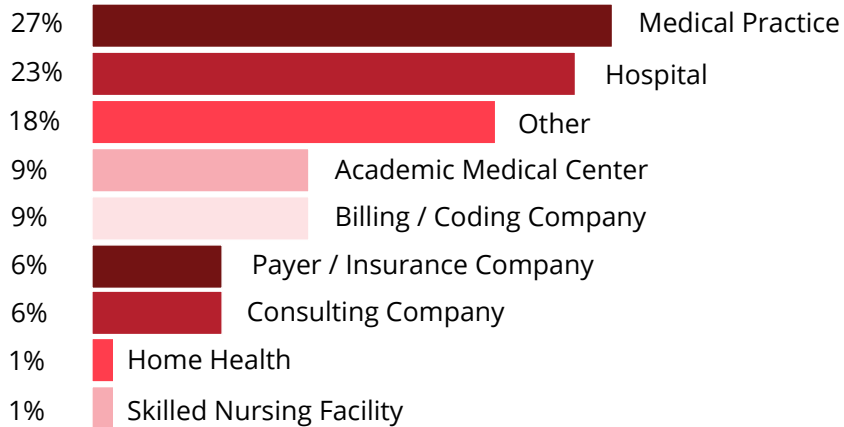
We hope this report will be valuable to you and your organization. Thank you for dedicating your time to review it!
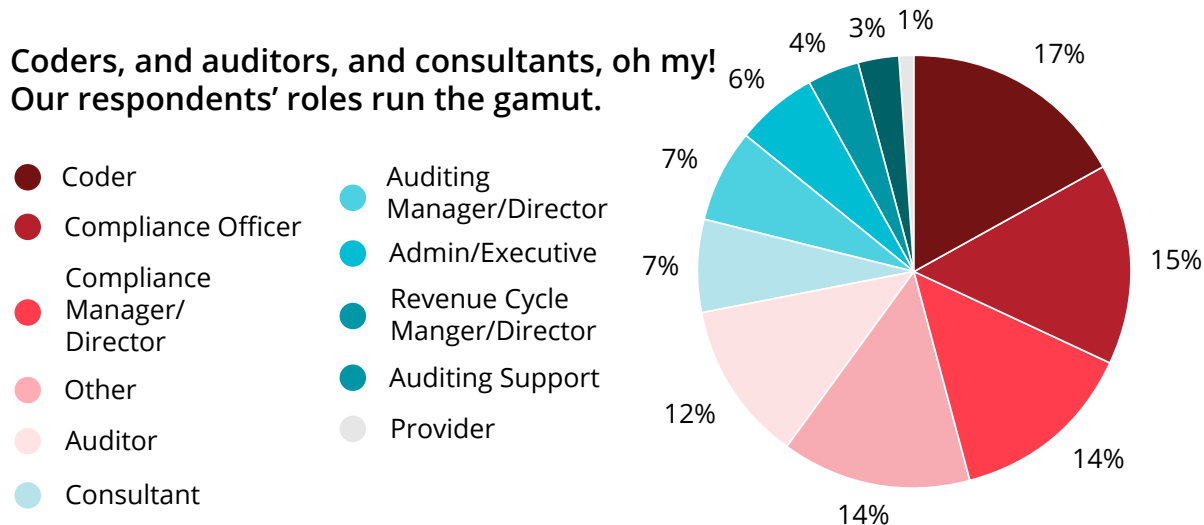
The Healthicity Team
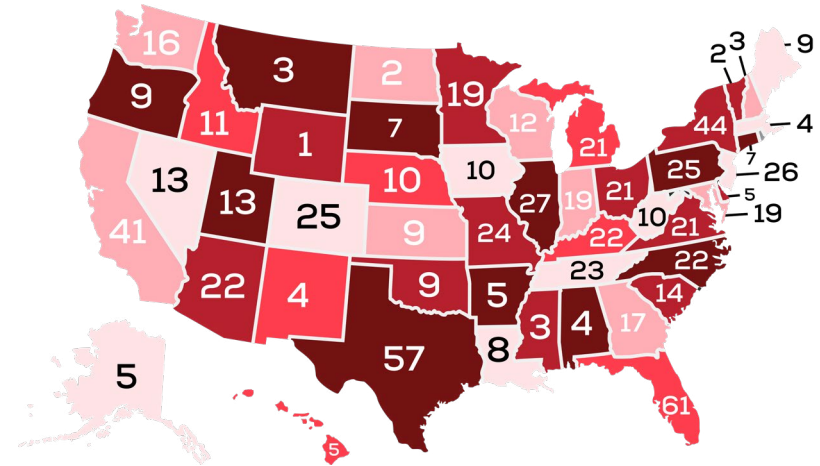
Demographics Snapshot

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

27%	Medical Practice
23%	Hospital
18%	Other
9%	Academic Medical Center
9%	Billing / Coding Company
6%	Payer / Insurance Company
6%	Consulting Company
1%	Home Health
1%	Skilled Nursing Facility

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

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

- Coder
- Compliance Officer
- Compliance Manager/Director
- Other
- Auditor
- Consultant
- Auditing Manager/Director
- Admin/Executive
- Revenue Cycle Manger/Director
- Auditing Support
- Provider

Pie chart values: 17%, 15%, 14%, 14%, 12%, 7%, 7%, 6%, 4%, 3%, 1%

Survey respondents work everywhere from smaller organizations to large health systems.
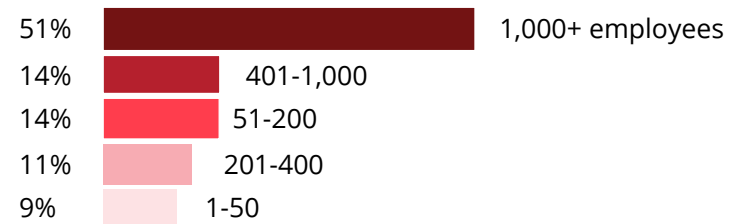
51%	1,000+ employees
14%	401-1,000
14%	51-200
11%	201-400
9%	1-50

Compliance

The State of Compliance Programs

An overwhelming majority of respondents (94.1 percent, to be exact) reported that they have a formal compliance program in place. A formal compliance program not only sets a strong ethical foundation for an organization, but it also promotes responsible and ethical behavior at all levels, fostering a culture of integrity and transparency.

The number of total employees in respondents' compliance programs held fairly steady from last year's survey, with 36 percent reporting 2-5 employees in their program this year. Interestingly, 27 percent stated they have more than 10 compliance team members (which is up just 2 percent from last year's survey).

As the healthcare industry evolves, compliance risks will evolve in tandem. Teams must be prepared and well-staffed to navigate the never-ending changes just around the corner.

Podcast   Healthicity

Compliance Conversations:
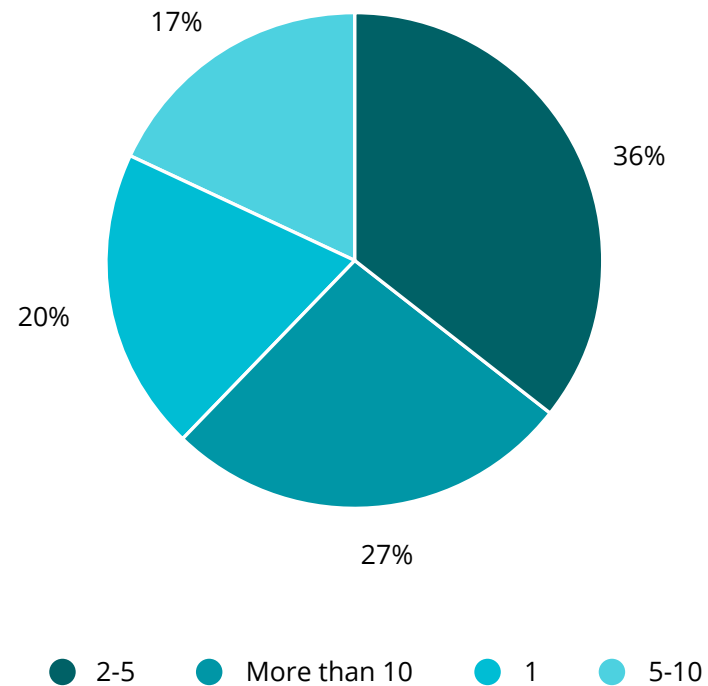Episode 70: The Art of Building a Successful Compliance People Strategy

The Art of Building a Successful Compliance People Strategy

Assembling the ideal compliance team is no small task – and that's why it can be such a puzzle. We invited Sarah Couture, a former nurse turned compliance executive, to share her insights on structuring effective compliance teams.

Listen Here ››

The State of Compliance Programs

How many total employees are in your compliance program?

- 36%
- 27%
- 20%
- 17%

Legend: 2-5 | More than 10 | 1 | 5-10

Who does your compliance leader report to?

49%	CEO/President
17%	Legal Counsel
14%	Board of Directors/Trustees
11%	Chief Operating Officer
3%	Chief Financial Officer
2%	Chief Information Officer
2%	Chief Medical Officer
2%	Chief Nursing Officer
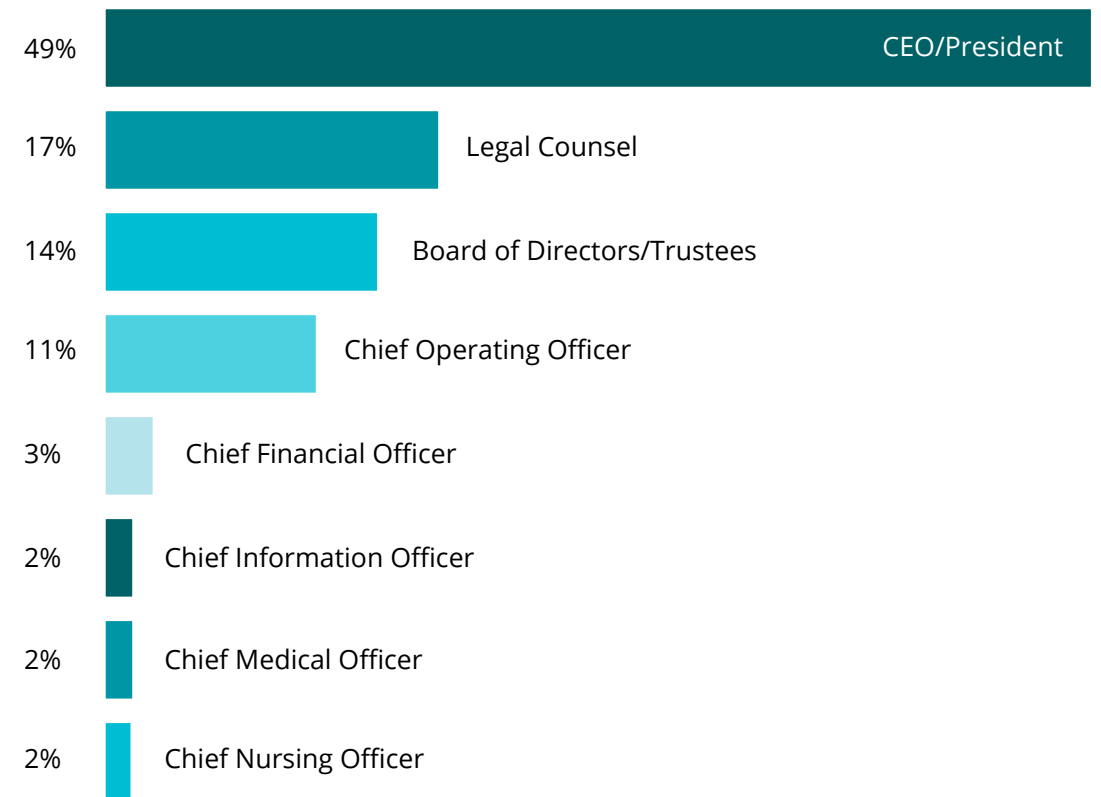
The State of Compliance Programs

How often are your compliance policies and procedures reviewed and/or updated?
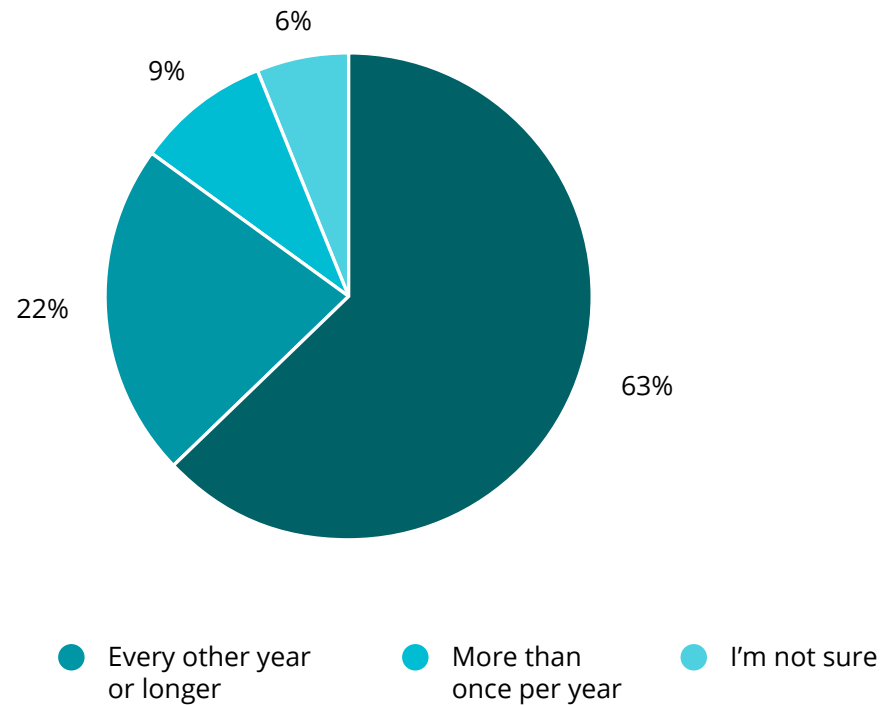

- Annually — 63%
- Every other year or longer — 22%
- More than once per year — 9%
- I'm not sure — 6%

Does your organization have a designated compliance committee?

# YES NO I DON'T KNOW
87% **8%** **5%**

HIPAA: The Major Focus for Compliance Teams

As far as risks go, 25 percent said that HIPAA is the biggest compliance risk to their organization this year, followed by program management and documentation. It's no wonder that HIPAA continues to confound compliance professionals – it's a multifaceted regulation with multiple rules and requirements.

Complying with HIPAA rules can be challenging, and the financial and reputational risks associated with HIPAA violations make it a top concern for healthcare organizations. (Did you know we have an entire section of our Resource Center dedicated to HIPAA Compliance? Check it out.)

With cybersecurity incidents on the rise (especially in healthcare), compliance teams are zeroing in HIPAA Security Risk Assessments. These present another opportunity for cross-functional collaboration with IT and Security teams, demonstrating once again that compliance works better when we all work together.
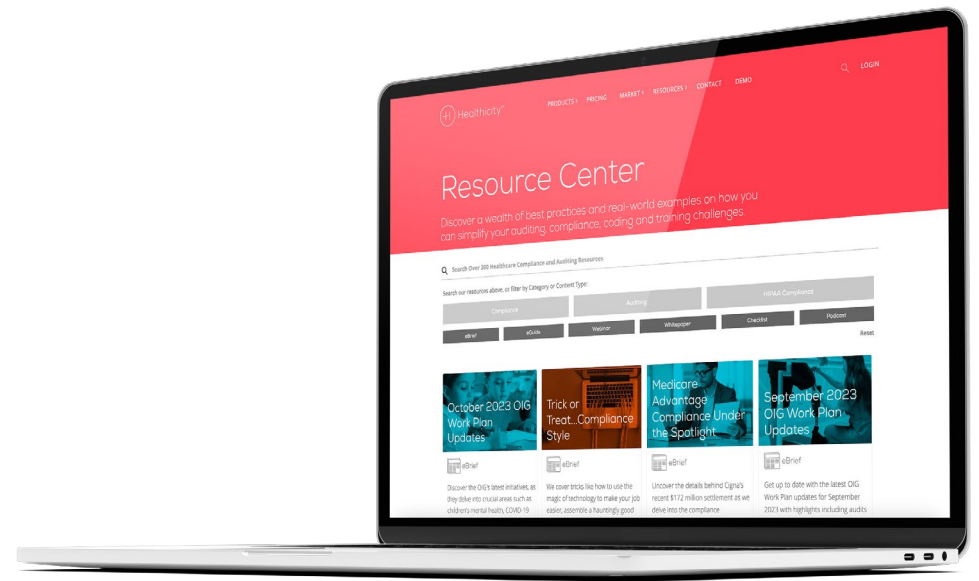
HIPAA Compliance Library >>

HIPAA: The Major Focus for Compliance Teams

Does your organization conduct an Annual HIPAA Security Risk Assessment?

YES NO

87%   **13%**

Does your organization monitor privacy and security trends and use the data to update your HIPAA training?

YES NO

86%   **14%**

How does your organization monitor the outcome and corrective actions from your HIPAA Security Risk Assessment?

38%	████████████████████
33%	████████████████
15%	██████
14%	██████

● Collaboration between Compliance & IT Security teams

● Formal Report provided to the Compliance Committee

● IT Security performs in a silo

● Executive Report provided to the Board

The Compliance Challenges of Today (and Tomorrow)

Nearly half of all respondents (43 percent, to be exact) said that keeping current with the increasing volume of laws and regulations is the greatest challenge in managing their compliance program. That's an interesting departure from last year, when 69 percent said updating policies and procedures.

The sheer number of new laws, changing laws, and potential laws is enough to make anyone's head spin. Luckily, there are lots of resources that can help.

From the Health Care Compliance Association to the American Academy of Professional Coders to agencies like the OIG and CMS, organizations are constantly sharing new updates and resources to help you stay in the know. We're also constantly updating our Resource Center with eBriefs, white papers, checklists, webinars, and podcast episodes to support you and your organization.

As compliance's vital role within organizations becomes more and more apparent, it's critical for teams to have the agency to properly manage their program, and 81 percent of our respondents feel they have the authority to conduct investigations and implement corrective actions. For the 11 percent who don't feel they have the same freedom, education may be key – educating your leaders, board, and internal staff about how compliance drives success for the organization.

E-BRIEF SERIES — Healthicity

Your Roadmap for Managing Compliance Policies & Procedures
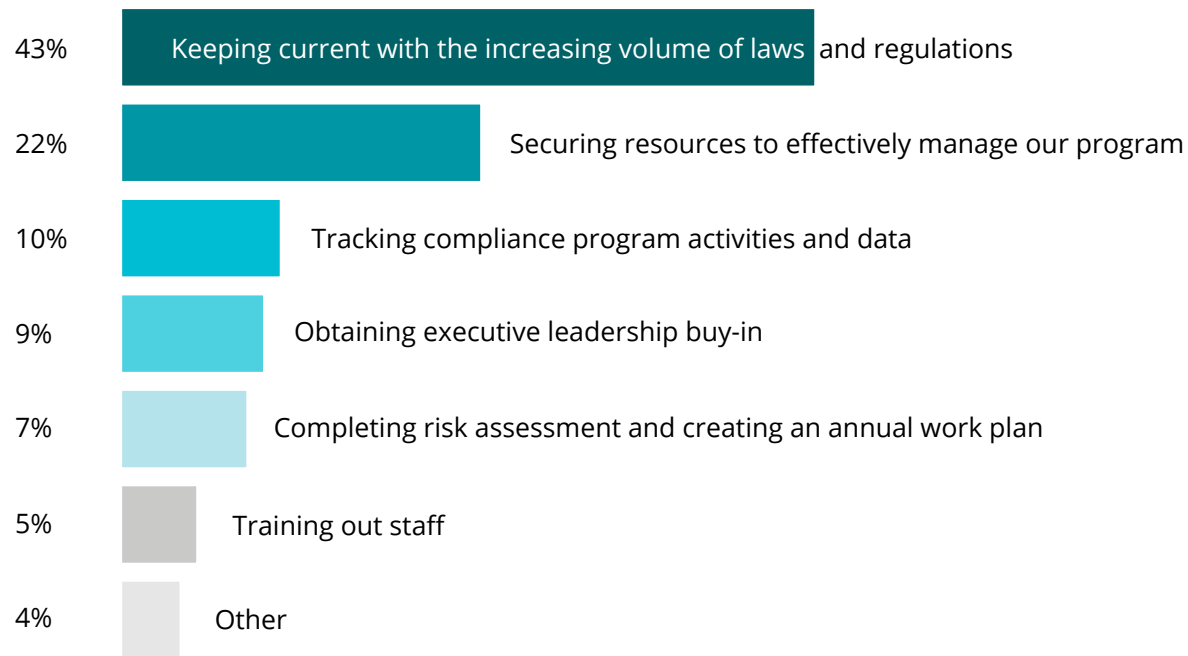
CJ Wolf MD, CHC, CPC, COC, CCEP, CHPC

Your Roadmap for Managing Compliance Policies & Procedures

Do the words "policy management" give you instant heartburn? (We wouldn't blame you if that's the case).
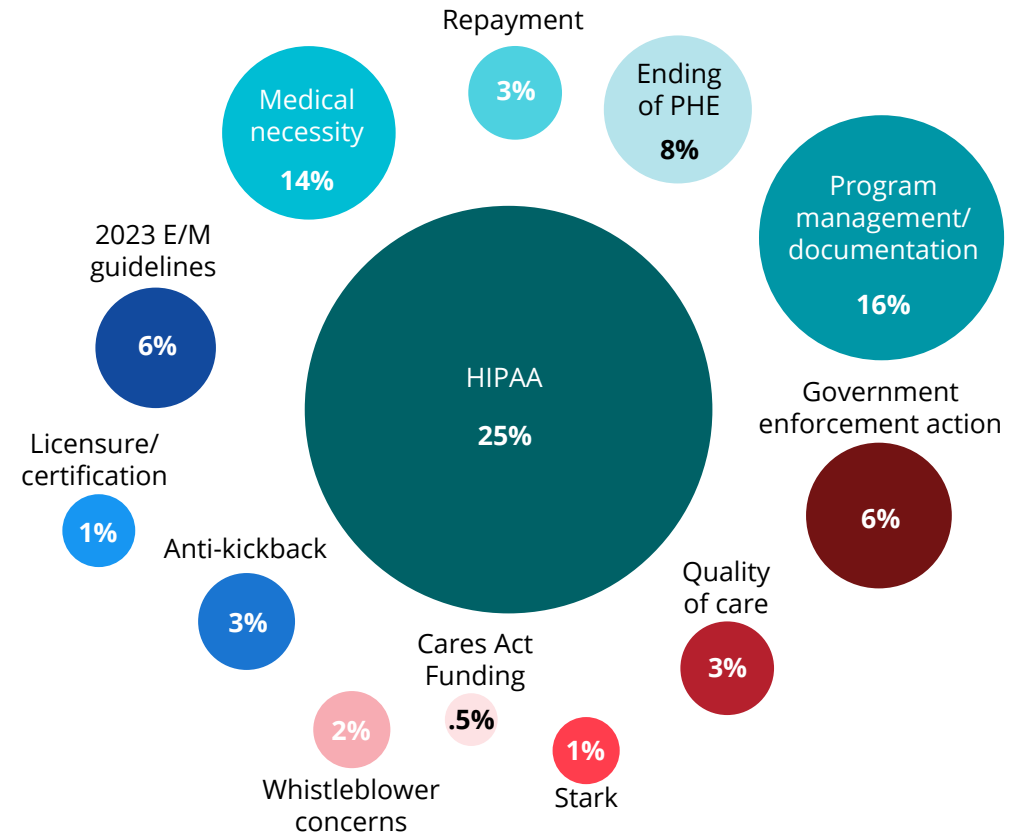
That's why we created this eBrief with key expert insights into policy and procedure management to help make your job easier.

Download Here ›1

The Compliance Challenges of Today (and Tomorrow)

What is your single greatest challenge in managing a compliance program in 2023?

43%	Keeping current with the increasing volume of laws and regulations
22%	Securing resources to effectively manage our program
10%	Tracking compliance program activities and data
9%	Obtaining executive leadership buy-in
7%	Completing risk assessment and creating an annual work plan
5%	Training out staff
4%	Other

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

Repayment **3%**

Ending of PHE **8%**

Medical necessity **14%**

Program management/ documentation **16%**

2023 E/M guidelines **6%**

HIPAA **25%**

Government enforcement action **6%**

Licensure/ certification **1%**

Anti-kickback **3%**

Quality of care **3%**

Cares Act Funding **.5%**

Whistleblower concerns **2%**

Stark **1%**

The Compliance Challenges of Today (and Tomorrow)

Does your compliance program perform an annual compliance risk assessment?

8%

11%

81%

- Yes
- No
- I don't know
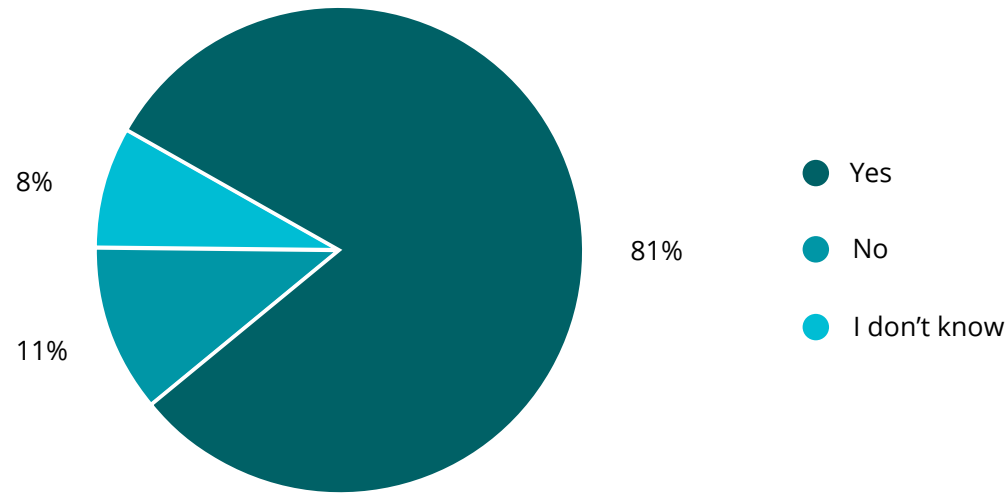
Does your compliance program create / have a formalized work plan?

YES
NO I DON'T KNOW

80%   **11%**   **9%**

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

81%	Government websites / documents
77%	Professional society membership/websites
62%	Thought leaders' complimentary webinar, podcasts, blogs, white papers, etc.
38%	In-person conferences
23%	Outside counsel
19%	External consultants
1%	Other

How Compliance Teams Stack Up With the 60-Day Rule

The 60-Day Rule aims to ensure the integrity of Medicare and Medicaid payments by requiring providers to promptly investigate and return any overpayments.

It's crucial for healthcare organizations to establish robust compliance programs and procedures to meet the requirements of the 60-Day Rule and avoid potential legal and regulatory repercussions – and over half of our respondents do just that. There's still room for improvement, as 21 percent said they're not sure of written policies, and 18 percent said they don't have a policy.

It's no secret that the 60-Day Rule can be complex, but it's heartening to see that 43 percent of respondents are very comfortable and 20 percent are moderately comfortable with their organization's compliance with the rule.
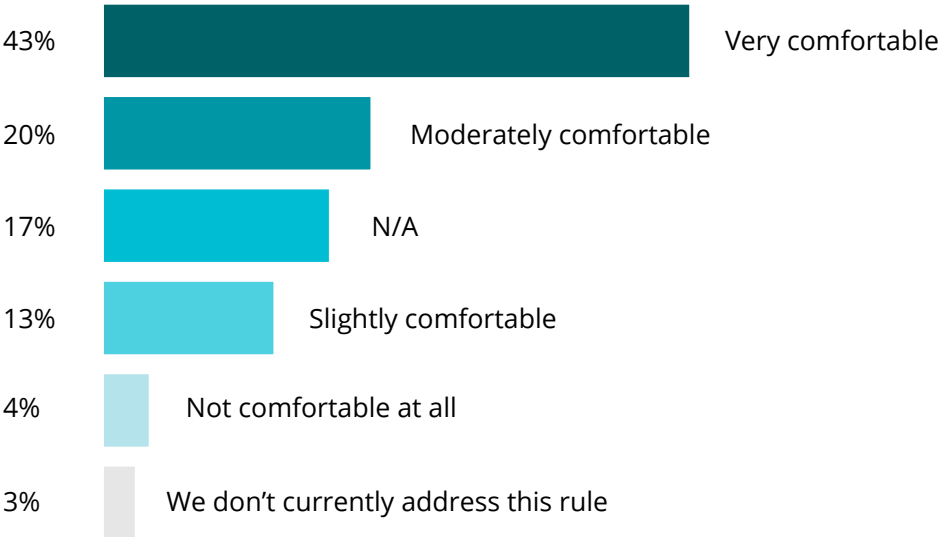
It's no secret that the 60-Day Rule can be complex, but it's heartening to see that 43 percent of respondents are very comfortable.

How Compliance Teams Stack Up With the 60-Day Rule

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

61%   **21%**   **18%**

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

43%	Very comfortable
20%	Moderately comfortable
17%	N/A
13%	Slightly comfortable
4%	Not comfortable at all
3%	We don't currently address this rule

Making the Grade: Measuring Program Effectiveness

Our top three answers were neck-and-neck-and-neck – compliance teams are prioritizing audits, updating policies and procedures, and employee training in their quest for compliance effectiveness.

When asked how organizations demonstrate their effectiveness, 66 percent reported that they used internal audit and assessment results. With so much talk around internal audits and compliance program effectiveness, it's a great time to mention the power of automation. By implementing software and solutions that make audits, policy management, and training easier, you can drive efficiency and make your team's job much easier.

Documents and spreadsheets still have a stronghold on compliance program management, with 38 percent stating that's how they manage their program. Just over half of respondents use a blend of documents, spreadsheets, and healthcare compliance software.

CJ Wolf
MD, CHC, CPC, COC, CCEP, CHPC

Dara Johnson-Ayodele
Director of Advisory Services

How to Perform a Compliance Program
Effectiveness Review + a Free Review Kit

Watch On-Demand

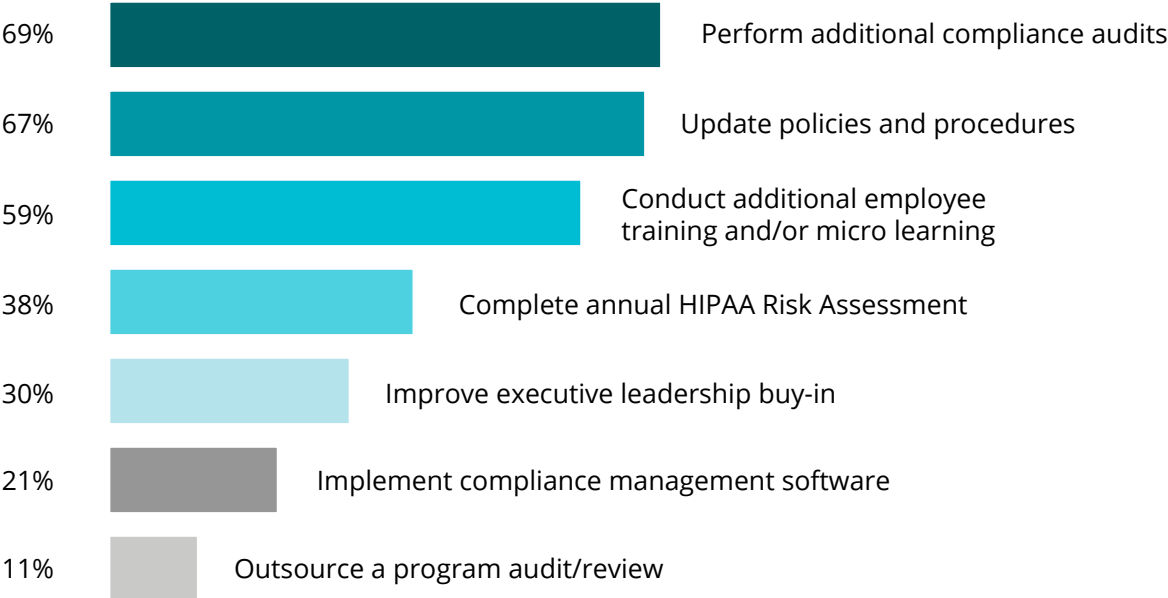## How to Perform a Compliance Program Effectiveness Review + a Free Review Kit

What better way to start out the new year than with a Compliance Program Assessment? Okay, we get it, a compliance effectiveness review might not be at the top of everyone's New Year's resolution list, but it is crucial to maintaining compliance and reducing risk.

We've got the insights and a free review kit to make it easier to perform a compliance program review so you can start 2024 on the right foot.
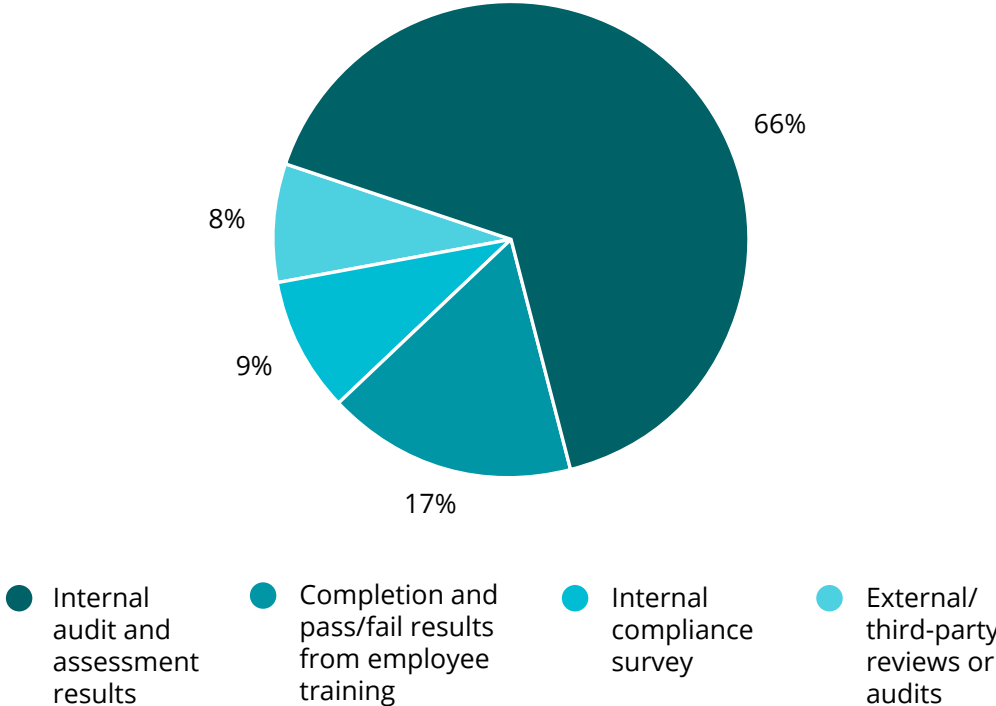
Watch Now >>

Making the Grade: Measuring Program Effectiveness

What are your priorities in 2023 for improving your organization's compliance effectiveness? (multiple choice)

69%	Perform additional compliance audits
67%	Update policies and procedures
59%	Conduct additional employee training and/or micro learning
38%	Complete annual HIPAA Risk Assessment
30%	Improve executive leadership buy-in
21%	Implement compliance management software
11%	Outsource a program audit/review

How does your compliance program demonstrate organizational compliance?

66%
8%
9%
17%

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

Making the Grade: Measuring Program Effectiveness

What tools do you use to manage your compliance program?

Documents and Spreadsheets (e.g. Word, Excel)

Healthcare Compliance Software

Blend of both
53%

38%

9%

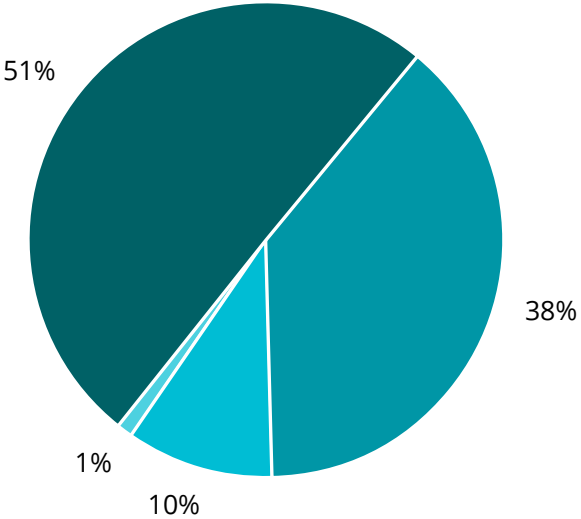## How do you conduct your compliance training?

Online

In person

Blend of both
60%

36%

4%

What percentage of your program's time will be devoted to training?

51%

38%

1%

10%

● 0-25%   ● 26-50%   ● 51-75%   ● 76-100%

Compliance and Auditing: A Match Made in Healthcare Heaven

When compliance and auditing teams are aligned, they can address compliance issues before they become significant problems.

Three-quarters of our compliance respondents stated that their program does require formal documentation/coding audits of medical providers, signaling a strong commitment to staying updated on new coding changes.

The types of audits performed by compliance programs are wide-ranging, from HIPAA security to financial arrangements to coding and billing. Take a look at the survey responses to see if there are any audits you might want to implement in your program.

A Blueprint for Your Annual Audit Plan

Unlock the secrets to airtight compliance auditing!

Learn how to tailor your annual audit plan, proactively improve your program, and safeguard your organization's reputation.
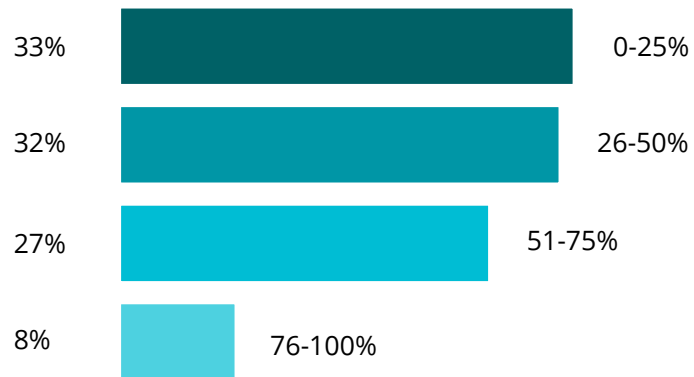
Listen Here ››

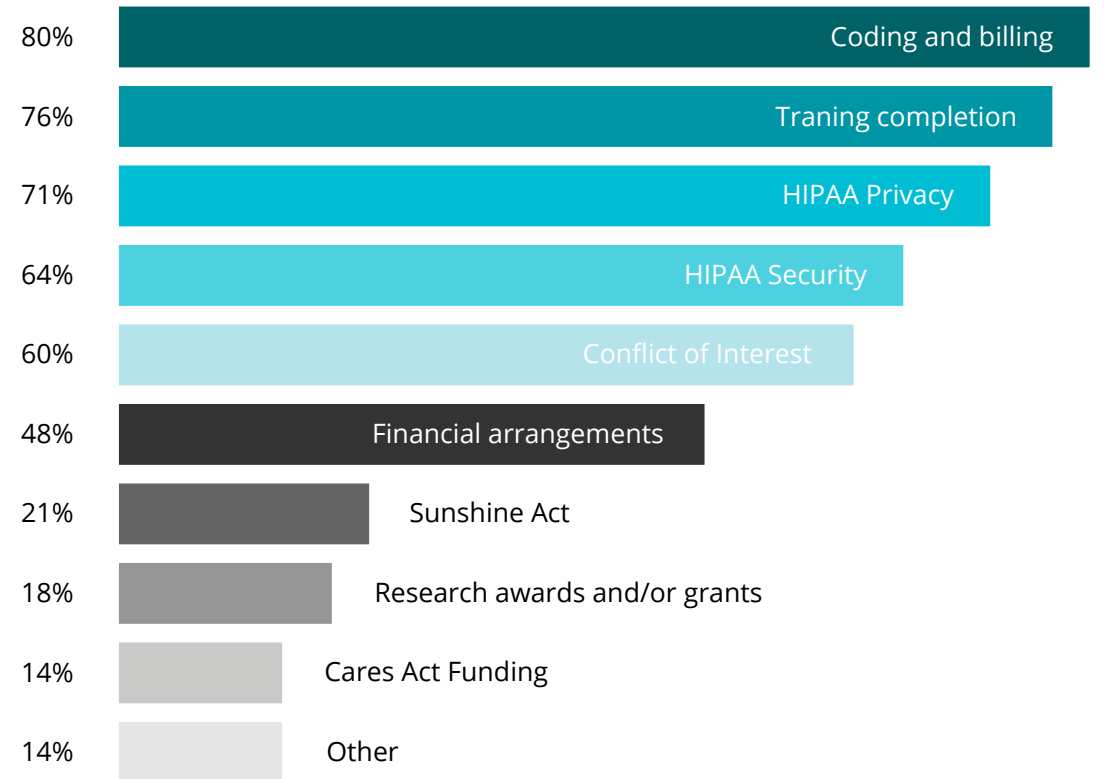# Compliance and Auditing: A Match Made in Healthcare Heaven

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

YES NO I DON'T KNOW
73%   **16%**   **11%**

What percent of your compliance program's time do you anticipate will be devoted to auditing and monitoring?

33%	0-25%
32%	26-50%
27%	51-75%
8%	76-100%

What types of compliance audits does your program perform? (multiple choice)

80%	Coding and billing
76%	Traning completion
71%	HIPAA Privacy
64%	HIPAA Security
60%	Conflict of Interest
48%	Financial arrangements
21%	Sunshine Act
18%	Research awards and/or grants
14%	Cares Act Funding
14%	Other

Managing Incidents of Non-Compliance

It happens to the best of us. What matters is how you follow through and take steps to prevent non-compliance incidents from happening again.

Our survey results show that 43 percent of respondents anticipate 0-10 non-compliance incidents this year, with 11-25 incidents coming in at 27 percent. Nearly half of our respondents said they monitor non-compliance issues with a software application, which is a solid way to leverage technology to support your program.

Managing non-compliance issues with spreadsheets and email came in at 20 percent each. While these methods may be comfortable and familiar, compliance programs now have the opportunity to use specialized solutions to make their job easier and more efficient.

PRESENTERS:

Remo Peshkepia
Product Manager, Compliance Solutions

CJ Wolf
MD, CHC, CPC, COC, CCEP, CHPC, CIA

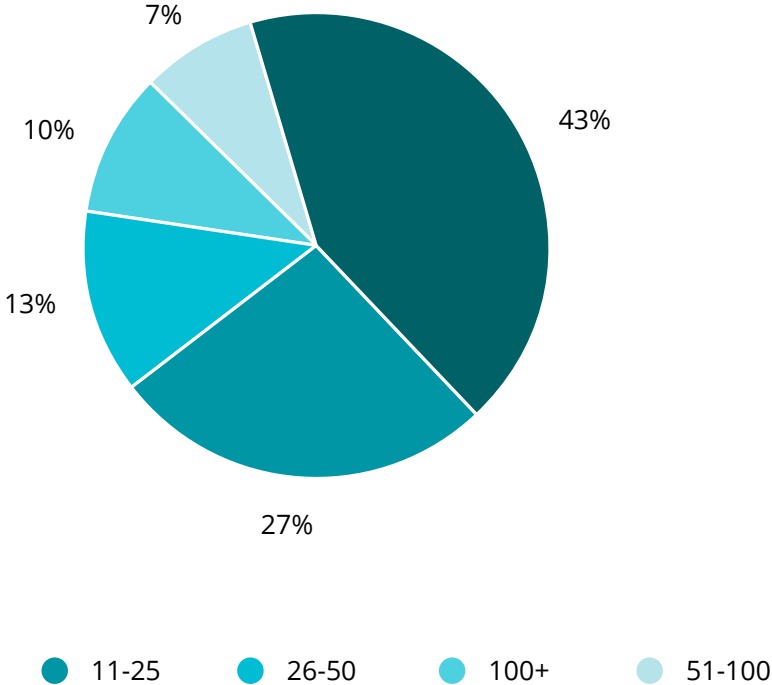From Reporting to Resolution:
Best Practices for Compliance Incidents
Watch On-demand

From Reporting to Resolution: Best Practices for Compliance Incidents

Reporting is just the start.

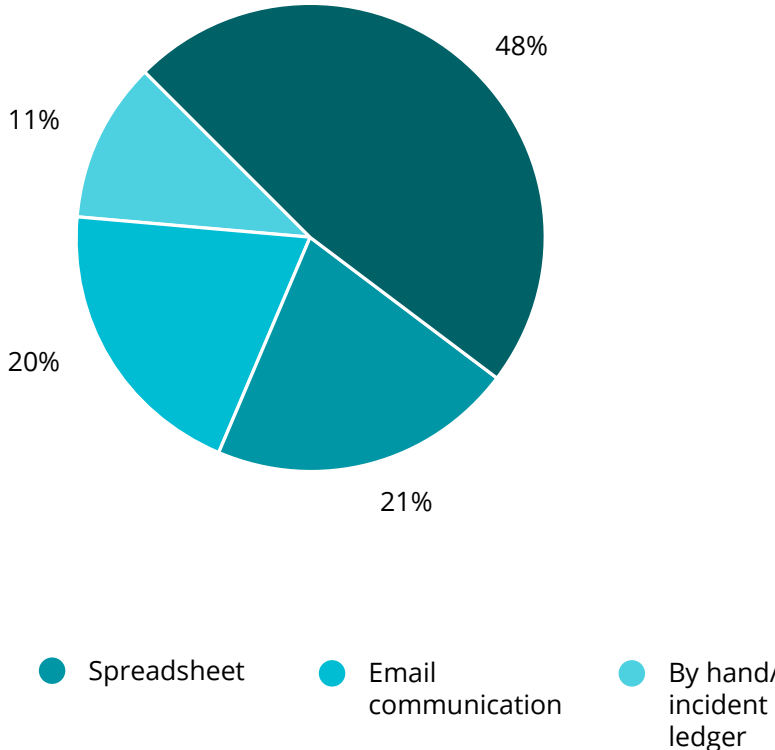Learn the art of compliance incident resolution in this on-demand webinar!

Watch Now ››

Managing Incidents of Non-Compliance

Based on previous years, how many incidents of non-compliance do you anticipate being reported to, or discovered by, your compliance program this year?

43%
27%
13%
10%
7%

● 0-10 ● 11-25 ● 26-50 ● 100+ ● 51-100

Once an incident is reported, how is it monitored through to closure?

48%
21%
20%
11%

● Software application ● Spreadsheet ● Email communication ● By hand/incident ledger

# What's Ahead in Compliance? Expert Insights on the Future

HIPAA compliance risks aren't going away. Healthcare organizations have so many patient interactions every day, and how those are managed and documented is critical ensuring strong compliance. HIPAA risks come up every year on our survey, and we see compliance professionals taking proactive measures like performing audits and updating policies and procedures to combat these risks.

Using obsolete software and solutions in healthcare compliance can heighten the likelihood of human errors. Using dedicated compliance tools not only reduces this risk but also offers in-depth data to enhance decision-making and program alignment.

As compliance teams look to evolve their approach to training, micro-learning can be a valuable approach. Rather than just offering annual compliance training, make your compliance education more frequent.

Learning about compliance can be fun – especially when you have the opportunity for bite-sized learning that is engaging and interesting.

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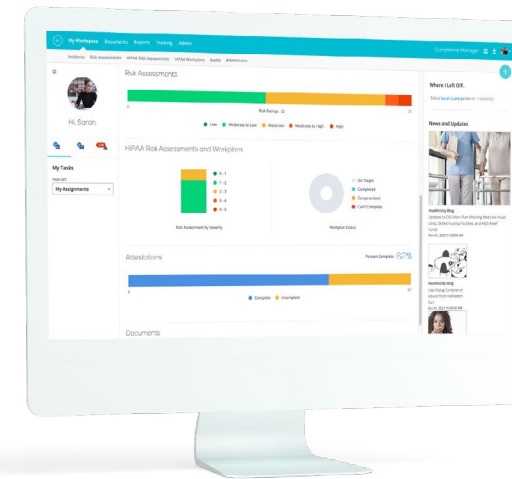
Featuring a customizable workspace and real-time reporting, Compliance Manager will simplify your compliance challenges. Whatever compliance challenges you may face, you can manage your entire program in one easy-to-use application.

Demo Now ››

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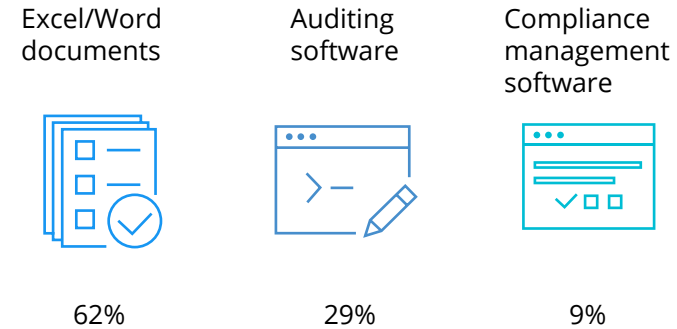
While those numbers are slowly declining from last year's survey, they still represent a vital opportunity for healthcare organizations to implement software programs that can make life easier for auditors and coders.
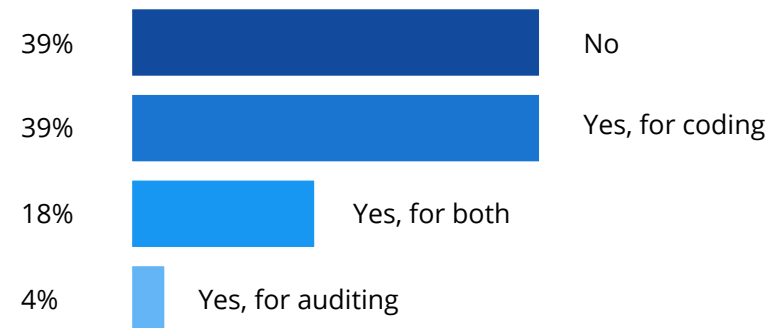
The Greatest Challenge Facing Auditing Programs

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

27%	Resources to conduct audits
27%	Keeping current with laws and regulations
21%	Training of staff
11%	Planning activities + managing resources and data
8%	Other
6%	Leadership buy-in

How do you record audit results?

Excel/Word documents	Auditing software	Compliance management software
62%	29%	9%

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

39%	No
39%	Yes, for coding
18%	Yes, for both
4%	Yes, for auditing

The Greatest Challenge Facing Auditing Programs

What is the greatest challenge your organization is facing in regard to the new 2023 E/M Guidelines?
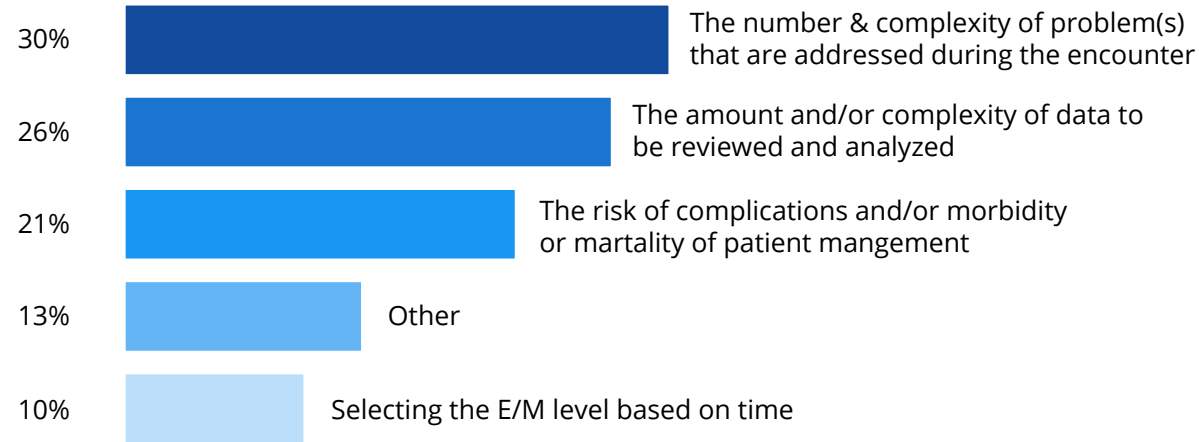
30%	The number & complexity of problem(s) that are addressed during the encounter
26%	The amount and/or complexity of data to be reviewed and analyzed
21%	The risk of complications and/or morbidity or martality of patient mangement
13%	Other
10%	Selecting the E/M level based on time

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

42%	5-10
22%	More than 20
17%	16-20
11%	11-15
8%	Less than 5
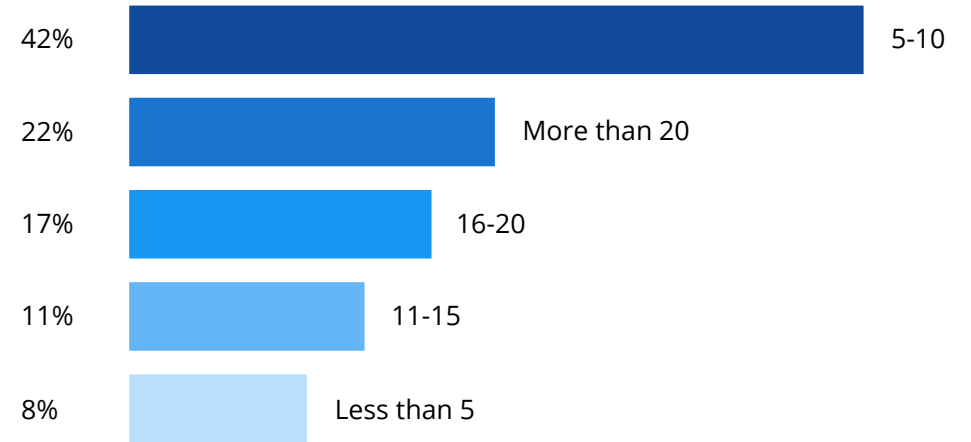
How many audits do your auditors typically complete in a week?

<10	>50	10-19	20-29	40-50	30-39
38%	22%	17%	11%	7%	6%

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.

Stephen Behunin
Audit Manager Analytics Consultant

Debi Behunin
Vice President of Product

Using Business Intelligence Tools to Design Smarter Audit Programs
Watch On-demand

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 ›
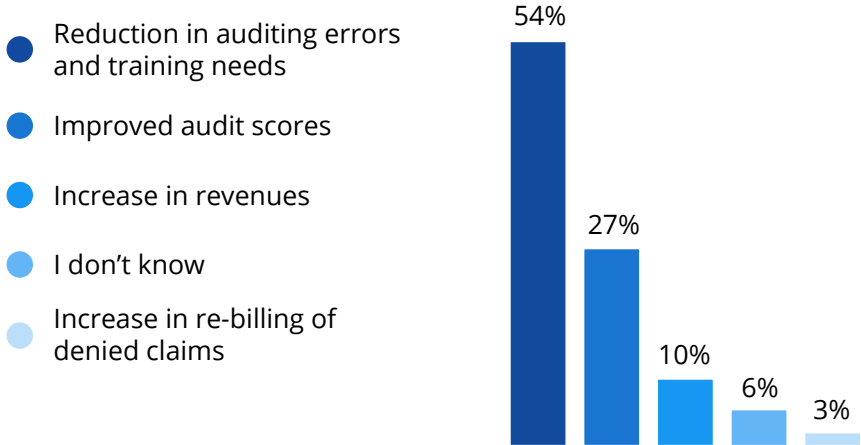
Defining Auditing Program Effectiveness

What drivers do you consider when planning your audits?

- 37% OIG Work Plan
- 24% Organization mandates or requirements
- 22% Past audits
- 9% Other
- 5% Input from a board or executive leadership
- 3% Local government agencies

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

1	2	3	4	5	6	7	8	9	10
2%	2%	1%	2%	8%	9%	18%	33%	14%	11%

7.4 average rating

How do you define effectiveness?

- Reduction in auditing errors and training needs — 54%
- Improved audit scores — 27%
- Increase in revenues — 10%
- I don't know — 6%
- Increase in re-billing of denied claims — 3%

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.

CHECKLIST SERIES — Healthicity

5 Ways to Uncover Lost Revenue in Healthcare Billing

Lori Cox MBA, CPC, CPMA, CPC-I, CEMC, CHONC, AAPC Fellow
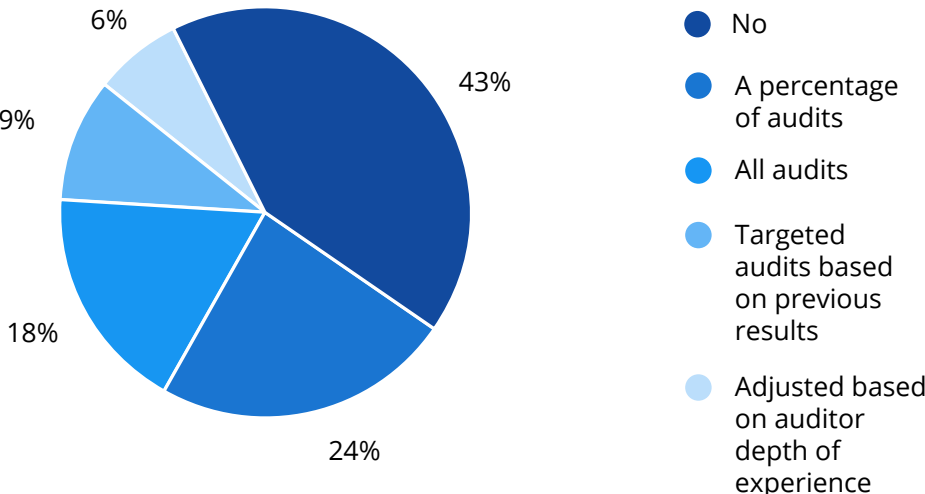
5 Ways to Uncover Lost Revenue in Healthcare Billing

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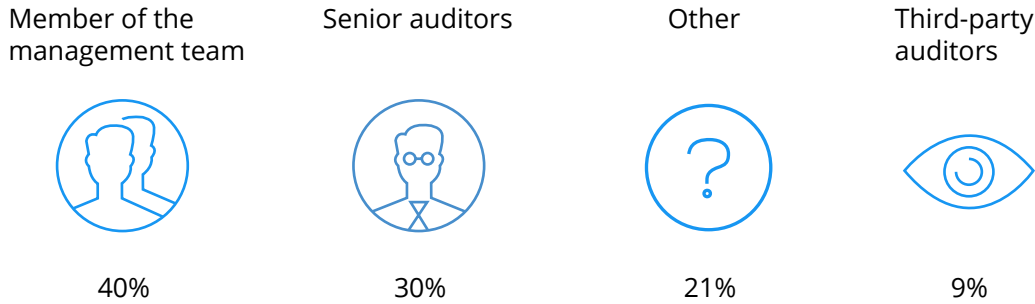
Download Here ››

Reducing Audit Errors

Do you conduct quality reviews of auditors' results?

- 43% (No)
- 24% (A percentage of audits)
- 18% (All audits)
- 9% (Targeted audits based on previous results)
- 6% (Adjusted based on auditor depth of experience)

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

Who conducts the quality review of your auditors?

Member of the management team	Senior auditors	Other	Third-party auditors
40%	30%	21%	9%

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

IDK **YES** **NO**
Upon hire & regularly through employment
58%   24%   18%

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

YES I DON'T KNOW NO
71%   19%   10%
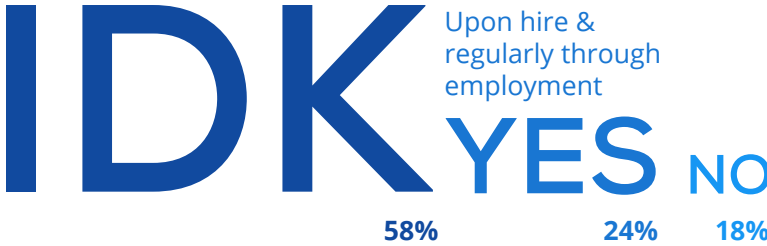
Improving Training and Documentation

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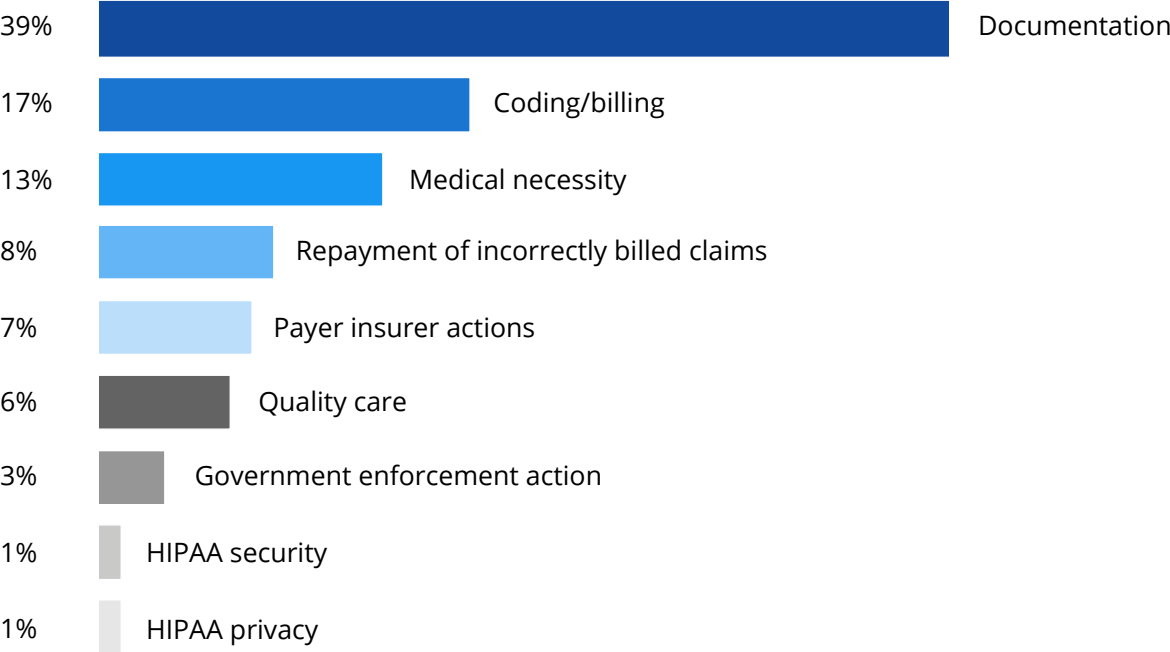
Incorporate ongoing learning by identifying webinars and conferences suitable for your team to attend. Not only can these events provide an accessible and high-quality source of training, they also offer much-

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?**

39%	Documentation
17%	Coding/billing
13%	Medical necessity
8%	Repayment of incorrectly billed claims
7%	Payer insurer actions
6%	Quality care
3%	Government enforcement action
1%	HIPAA security
1%	HIPAA privacy

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

YES
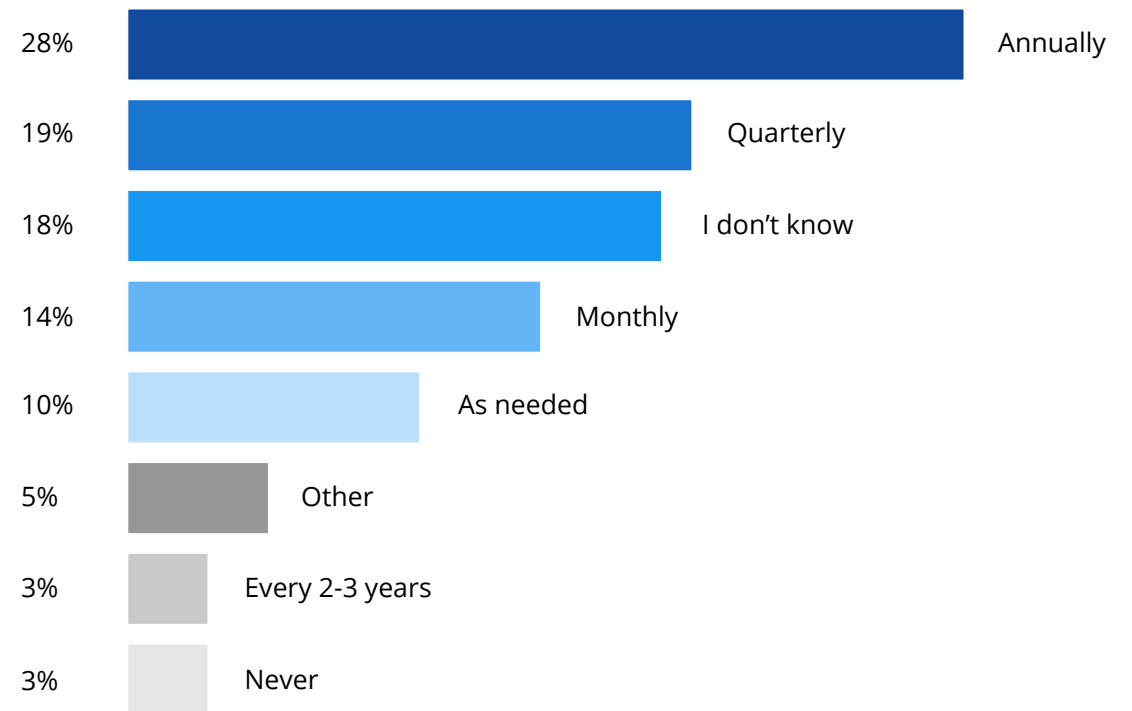## I DON'T KNOW NO

83%   **10%**   **8%**

Improving Training and Documentation

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

- 91%
- 66%
- 49%
- 33%
- 24%
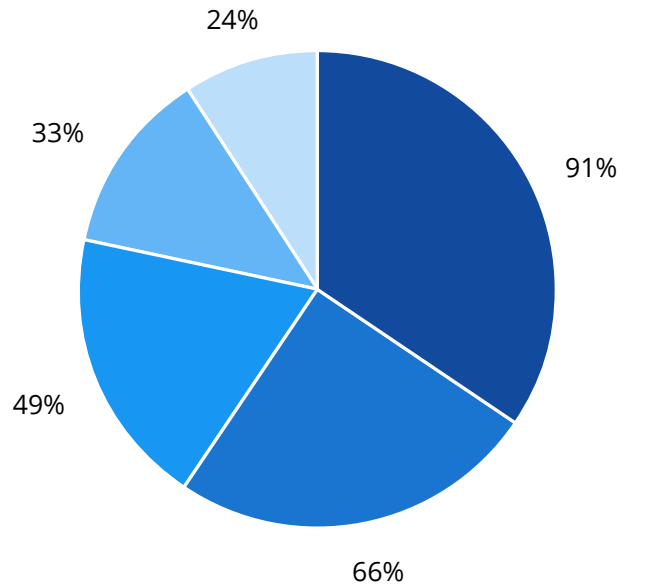
- ● Billing accuracy
- ● Collecting missed billing oppurtunities
- ● Avoiding penalities
- ● Fear of being audited by CMS, RAC, etc
- ● Fear of being audited by commercial payers

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

28%	Annually
19%	Quarterly
18%	I don't know
14%	Monthly
10%	As needed
5%	Other
3%	Every 2-3 years
3%	Never

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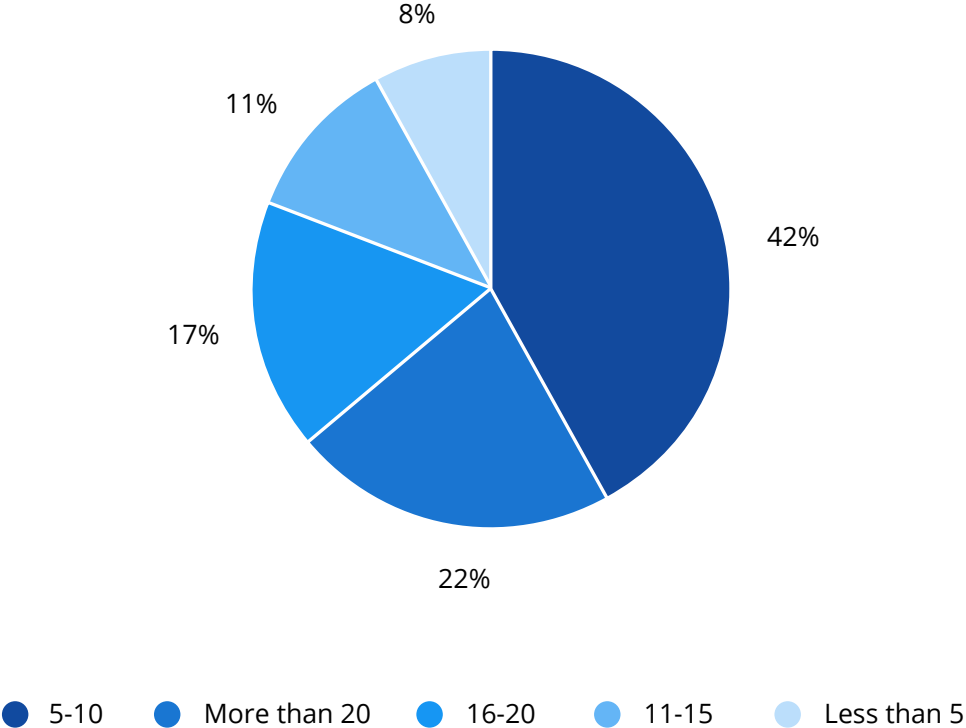
In an interesting twist, 27 percent of respondents said they don't have a pass rate threshold, and 26 percent of respondents said they require a pass rate threshold of 91-95 percent. Measuring program effectiveness is difficult without measurable benchmarks, so this is a key opportunity for improvement.

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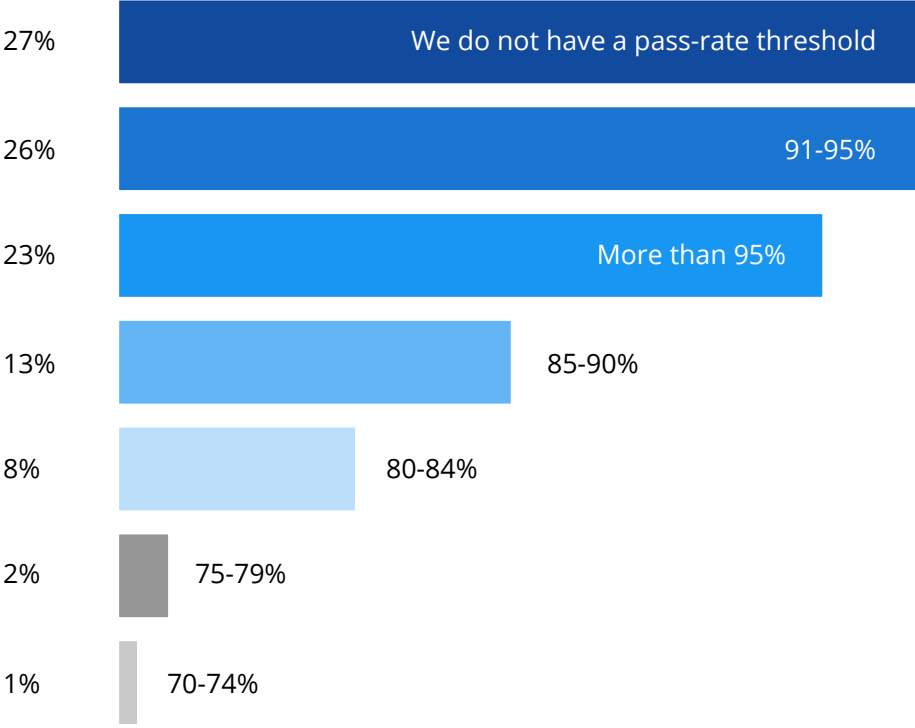
While providing scores or audit results can sometimes feel like you're giving providers a grade in school, it's important to communicate the results and talk about ways to improve. When you approach the topic in a collaborative, open way, providers are much more likely to engage in productive discussions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

8%

11%

42%

17%

22%

● 5-10 ● More than 20 ● 16-20 ● 11-15 ● Less than 5

Does your organization have a pass-rate threshold?

27% — We do not have a pass-rate threshold

26% — 91-95%

23% — More than 95%

13% — 85-90%

8% — 80-84%

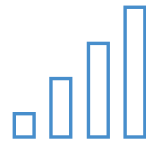2% — 75-79%

1% — 70-74%

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?

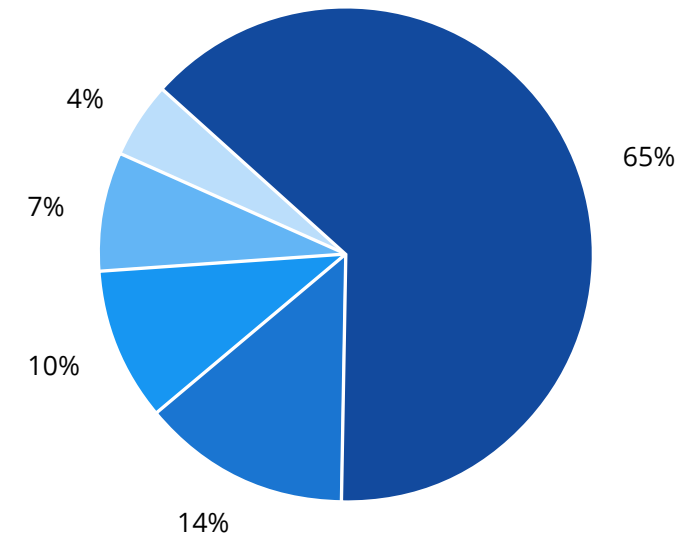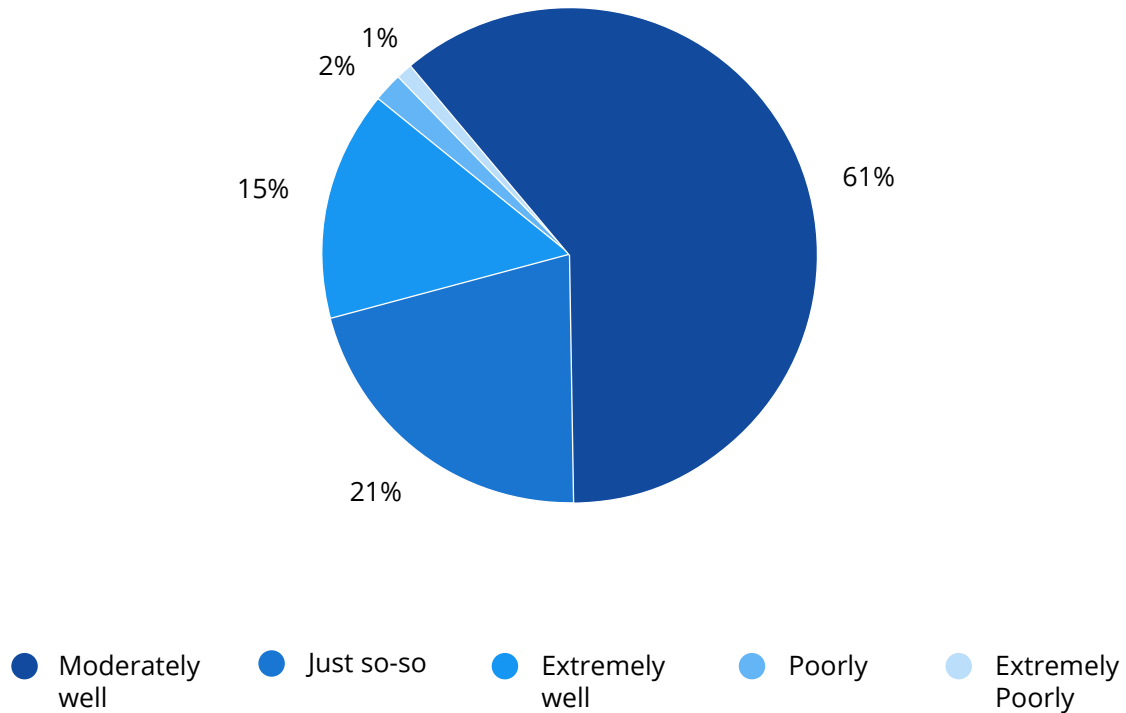In person (one-on-one)

45%

Electronically

40%

Group meetings

15%

What method does your organization use to select encounters/dates of service do you coding audit?
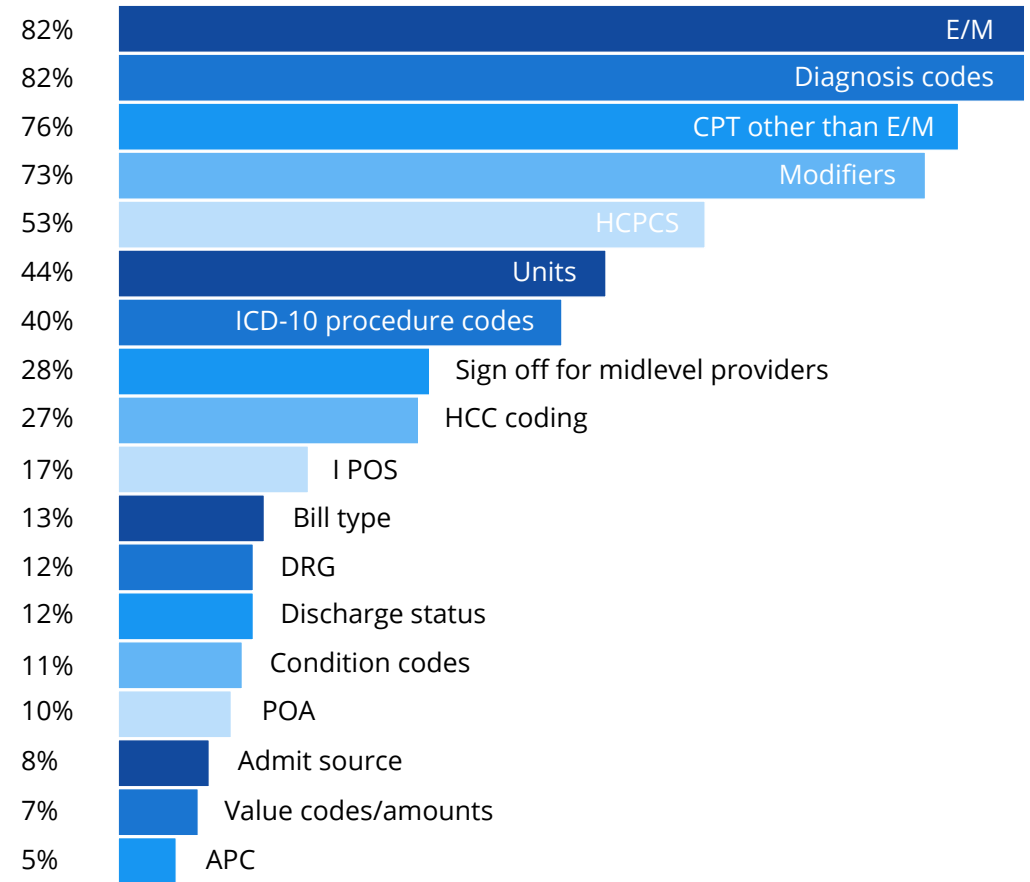
65%

14%

10%

7%

4%

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

Making the Grade

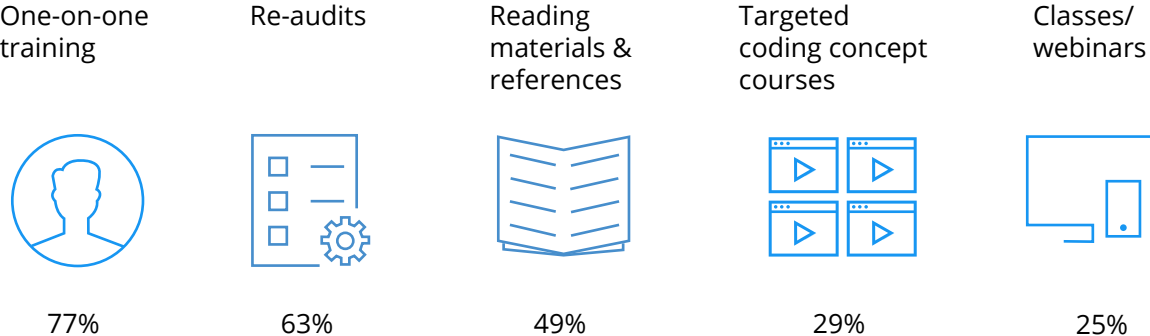**How well are your clinicians coding with the new 2023 E/M Guidelines?**

- ● Moderately well
- ● Just so-so
- ● Extremely well
- ● Poorly
- ● Extremely Poorly

Pie chart values: 61%, 21%, 15%, 2%, 1%

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

Element	Percentage
E/M	82%
Diagnosis codes	82%
CPT other than E/M	76%
Modifiers	73%
HCPCS	53%
Units	44%
ICD-10 procedure codes	40%
Sign off for midlevel providers	28%
HCC coding	27%
I POS	17%
Bill type	13%
DRG	12%
Discharge status	12%
Condition codes	11%
POA	10%
Admit source	8%
Value codes/amounts	7%
APC	5%

Making the Grade

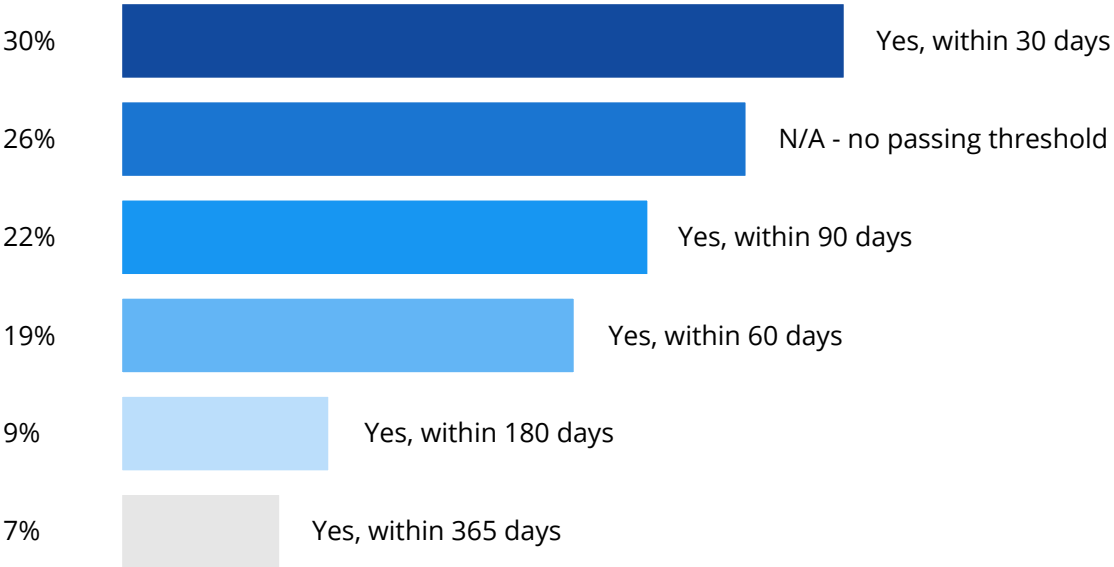**When providers fail an audit, what all remediation actions does your organization take or would like to take?** (multiple choice)

One-on-one training	Re-audits	Reading materials & references	Targeted coding concept courses	Classes/ webinars
77%	63%	49%	29%	25%

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

NO IDK YES

50%   45%   5%

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

30% — Yes, within 30 days

26% — N/A - no passing threshold

22% — Yes, within 90 days

19% — Yes, within 60 days

9% — Yes, within 180 days

7% — Yes, within 365 days

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 ››