

T E X ★ S Hospitals

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Best Practices

Proper Coding Increases Accuracy and Reimbursements

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When Medical Center Hospital in Odessa opened its new hyperbaric chamber and wound care center three years ago, Eva Garcia, director of physical medicine and rehabilitation, had high hopes for a positive cash flow. After about eight months, however, she wasn't seeing the revenue stream she expected.

"This was such a new service, and there are so many rules for outpatient wound care and hyperbaric oxygen treatment coding, that we were seeing a high number of denials," she said.

Garcia brought in Amazon Coding to do an audit, which found that the in-house coders, who mostly work with inpatient cases, did not have the expertise to code the hyperbaric and wound care cases properly.

"You have to match the correct diagnosis codes with the treatment codes, and you have to document correctly to get paid," said Garcia. "We were doing the correct care, but we were not giving ourselves credit for all our care in the documentation."

After discussions with the director of health information management, the hospital hired Amazon Coding to do all the coding for the hyperbaric and wound care cases. Amazon's coders log into the hospital's computer system remotely to code the cases they are assigned.

"The last denial report I saw had maybe two or three denials total for about 200 patients. That's excellent," Garcia said. Initially, up to about 75 percent of the hospital's cases were denied reimbursement.

"We are a hospital district, which means we take everyone without regard for ability to pay. We run about 25 percent self-pay, so when we have patients who have commercial health coverage, we want to make sure we capture all the revenue we are due," she said.

Julie White, partner in charge of operations for Amazon Coding, said that the company has the ability to hire coders from all over the country, allowing them to tap into specialized coding skills that might not otherwise be available to a hospital in a less-populated area.

"Our coders work from home and log into a hospital system, which means we are not limited to a particular geographic area," she said. "For rural hospitals, where there aren't coders with special expertise, that can be very valuable. And in inner-city areas, where there is stiff competition for experienced coders, a hospital might not be able to find someone with the expertise for specialty areas."

Garcia was so satisfied with Amazon Coding's work that she and the HIM director invited the company to do an audit of all of

the hospital's outpatient therapy cases. Again, the company found that the more complex outpatient coding was not as accurate as it could be. Once the HIM director saw the audit results, she gave the green light to Garcia to assign all the outpatient therapy coding to Amazon Coding. Subsequently, the company did an inpatient therapy audit with similar results and now is doing all coding for the rehabilitation department.

"Our reimbursements have gone way, way up," said Garcia. "I highly recommend Amazon."

Amazon Coding specializes in coding and auditing services for all chart types with guaranteed 24-hour turnaround and 97 percent accuracy. The company is available on an ongoing basis or intermittently to alleviate backlog.

It was the company's auditing services that caused Dee Waldow, chief financial officer of Palo Pinto General Hospital in Mineral Wells, to contact Amazon initially.

"With RAC audits coming, I needed somebody who could challenge the Centers for Medicare & Medicaid Services and who could speak as an equal," Waldow said. "Coders almost need college degrees to code accurately, to read the documentation and to query the docs. Our in-house coders were not current on coding changes." Waldow put out an RFP for auditing services to three firms, including Amazon, which won the contract and conducted an audit.

"We found that because the in-house coders did not have a good sense of the coding rules, they were a little too cautious, resulting in lower reimbursements," Waldow said.

Beginning in August 2009, Amazon Coding has been doing all coding for the hospital. Waldow has seen an increase in the hospital's case mix index, which means that the bills are being coded at a higher rate.

"They've only been at it a few months, so I hate to put a number to the increase, but our reimbursements have absolutely improved," said Waldow. She added that the cost of using Amazon was comparable to the cost of employing in-house coders and that when RAC audits occur, the hospital will have the expertise needed to challenge CMS. "I'd do it again." ★

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