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Anesthesiology practices: Increase revenue and decrease risk with practice audit

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As anesthesiology practice leaders, you have a tough assignment. Unique reimbursement methods, stringent concurrency regulations and a complicated practice environment make it easy for your group to lose money and get into legal trouble. Poor processes can result in millions of dollars in missed revenue. Where compliance falls short, the costs are even greater.

To make sure your anesthesiology group maximizes revenue and minimizes compliance risk, conduct a practice audit at regular intervals.

Check documentation

First, gather service records for two successive days. The operating-room (OR) schedule is just the start. You also need pain schedules, obstetrics logs, documentation of OR add-on cases, anesthesia records and concurrency reports, charge-screen prints, billing tickets and claim forms.

Second, make sure all documented services resulted in a charge.

Third, review documentation for completeness: Are out-of-OR procedures captured? Are separately billable intra-operative procedures, such as arterial lines, documented? Are value-adding factors such as emergency status reflected in the records?

Analyze coding

Poor coding drains revenue and increases compliance risk. Use the same two-day sample to ensure that every anesthesia encounter has been coded using the highest appropriate base unit. In addition, check that coded encounters include all appropriate modifiers – physical status, complications, etc. – that could result in higher reimbursement. Lastly, verify your software's CPT*-to-ASA** crosswalks. Incorrect code conversions can result in recurring billing errors.

Examine concurrency issues

As part of the documentation and coding check, make sure you bill correctly for concurrency. Anesthesia medical-direction claims must meet the seven steps of medical direction, and you must fully document those steps. Records should capture accurate start and stop times – no rounding permitted – provider types (physician, certified registered nurse anesthetist, resident, student registered nurse anesthetists) and relief providers. Verify that providers sign in and out of the log. Check for overlapping case times. Calculate several cases manually to ensure that your billing software computes concurrency properly.

Drill down on billing and collections

Run a report on all claims that are three to four months past due. Next, determine why payment was delayed for each. This process will most likely identify a range of problems, from missing information and incorrect claim processes to improper denials and other payer mistakes. Some discoveries will reinforce findings from your documentation and coding review. Are billing and collections outsourced to a third party? Do not skip this step. Checking your billing partner almost always improves performance.

After the audit, follow up on your findings. Refine documentation processes and educate staff on proper procedures. Develop solutions to your top coding, billing and collections problems. Correct deficiencies that undermine concurrency compliance. Above all, communicate with physicians about their contribution to the process.

Auditing is the key to superior results in anesthesia leadership. An ongoing audit program will help you improve your practice's financial performance, maximize revenue and physician income, and steer the group clear of legal risk.

*CPT – Current procedural terminology

**ASA – American Society of Anesthesiologists