**External chart audit offers cost-effective peace of mind**

Your office manager and billing staff periodically audit claims to assess whether your doctors code accurately. But how do you know that they know what they’re doing? Spending several thousand dollars to bring in an outside consultant can be an expensive way to confirm that your practice is doing a good job coding. A far less expensive way to obtain some coding peace of mind: Pay to put your charts on the airplane, not the consultant. Having your staff audit 10 charts. Then copy those charts and send them to an outside coding consultant to review the work of your in-house auditors.

Double audit

Here is a cost-effective audit approach - First have your staff audit 10 charts (per physician) as they normally would. Then copy those charts and send them to a coding consultant to audit the work of your in-house auditors. Usually, by the time you've gone through 10 records, you can spot trends. Be sure to blank out patient names and identifying characteristics, of course, to satisfy privacy concerns.

Cost effective

For $40 to $50 per chart, this second audit will confirm that your physicians and billing staff understand their coding, or let you know that a full-blown evaluation is necessary. Smaller practices may want to skip the first review and start by sending the charts to an outsider to review. The smaller the practice, the more hats people are wearing, and that makes it less practical to have an internal audit.

Even if you must reduce costs wherever possible, you still have to worry about compliance issues. Uncovering serious coding problems certainly justifies proceeding with a more complete audit and could save you far more money and headaches. As we know, the government is high on healthcare fraud detection.

Healthcare fraud is the #2 priority of the Department of Justice, second only to terrorism and violent crime. In January, 2011 the government released a new report showing that the government’s health care fraud prevention and enforcement efforts recovered more than $4 billion in taxpayer dollars in Fiscal Year (FY) 2010. This is the highest annual amount ever recovered. As a matter of fact, Health & Human Services estimates that $17 will be returned for every $1 invested in fraud & abuse initiatives.

This is serious business.

On a final note, since most research suggests that more physicians undercode than overcode, you may find that the hundreds of dollars you spend on an external chart audit more than offsets additional revenue from legitimately higher coding. And if the audit confirms you're coding accurately, you'll have bought some valuable peace of mind.