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# PERSPECTIVES

## Inside the Healthcare Industry: The Critical Role of Medical Coding, Billing & Nurse Review

Our perspectives feature the viewpoints of our subject matter experts on current topics and emerging trends.

# INTRODUCTION

In what is already a highly regulated industry, it is becoming increasingly difficult for healthcare organizations to navigate the growing volume, complexity and enforcement of laws, regulations and guidance that surround their business – particularly when it comes to quality and reimbursement. Whether it's navigating a billing dispute or malpractice litigation, responding to regulatory investigations or assessing medical necessity for services, healthcare providers, payers, and life science organizations are juggling a lot.

While it seems obvious to say that proactive investment in compliance and audit processes is a must for these organizations, with so many competing demands, it's often a crisis that ignites further assessment into these areas.

In this Q&A conversation, healthcare expert Magi Curtis, speaks with medical billing & nurse consultants Kari Williamson and Pamela Hernandez about their medical bill review, coding, and nurse consulting team, who have a great deal of experience helping healthcare clients in both proactive and reactive mode.

**Magi:** I'm excited to learn what insights both of you have for our healthcare clients that are either bolstering their compliance and audit processes and / or navigating a coding, documentation, pricing, or billing issue. Before we get into the details – Pam and Kari – would you tell me about the work your team does for our healthcare clients.

**Kari:** We do medical record and bill review. That's probably the simplest way to describe it. We also look at medical malpractice issues, including causality from a care and treatment standpoint, and we analyze how care and treatment plans are built. Depending on who we are working for, we will look at the bills, the charges, the Current Procedural Terminology (CPT) codes, and make judgement calls about their reasonableness. And that's where Pam comes in because her specialty is billing and coding.

**Pam:** On my side, not only do we do the coding and billing reviews – including forensic coding and billing analysis, but we also do audit reviews, determine reasonableness of charges, and provider education. Typically, our clients are either attorneys or healthcare providers, but we also work for insurance companies and state and federal entities.

**Magi:** Pam, I know you have a great deal of experience in provider and payer audit disputes both in-house and as a consultant. Do you have any lessons learned / best practices from your time leading health plan policy management for numerous national healthcare companies?

**Pam:** Definitely. I'd say a couple of things stand out. First, proper documentation for billing and coding is essential and, candidly, it's not something that physicians are taught in school. So, taking the time to educate your physicians on documentation and how to tie it to the appropriate coding and then ensure it is submitted properly to the payer is likely to be one of the best proactive efforts that a provider organization can make from a reimbursement perspective.

The second issue that stands out for me is around internal auditing. Physicians / provider groups know they're supposed to do it, but they don't always know how. Making this more complicated is the fact that many providers retain third parties that come in and submit their billing for them, and sometimes those third parties submit inaccurate information to payers. But providers are contractually responsible for any issues with the billing / coding, even if it's the fault of a third party. I've seen countless cases where third parties have submitted inaccurate billing – whether accidentally or fraudulently, and the provider groups are then responsible for the errors. My advice is, always take the time to invest in doing internal audits of your billing – whether done by your organization or a third party – so that you can identify and rectify any issues proactively. Make sure that documentation shows that treatment was medically appropriate and that it's reasonable to bill for it.

Also, make sure you do your due diligence before hiring a third party to handle billing. Get and check multiple references – that are current clients – and look up those third parties to be sure there are no outstanding claims against them.

**Magi:** As you mentioned, compliance regulations are continuously evolving. How can provider groups – whether individual practices or national organizations – stay on top of these? How can they help avoid billing disputes?

**Pam:** It can be challenging; compliance regulations can evolve quarterly. I've seen far too many times when providers were unaware of medical policy changes and billings submitted weren't in compliance.

The primary defense we hear from providers around billing and coding errors is: "I just didn't know." Unfortunately, being unaware of the law, the regulations, or the guidelines is not a defense because ultimately providers are responsible for everything related to their practice of medicine.

So, I always recommend having a practice manager in place to help with compliance adherence. I know this is an expenditure that some groups / organizations don't want to invest in but what is going to keep your claims from being denied by payers is having someone or a group of individuals internally that are educated, trained, and certified, who are responsible for knowing the regulations and are running regular internal auditing of your billings. The added bonus is that these functions end up paying for themselves. In fact, they often help practice groups expand their revenue.

**Kari:** The other thing is that many providers don't know the right questions to ask, so they don't. And they often don't know that there are experts out there that could help them navigate this complex world. Whether it's helping them to conduct due diligence when considering a third party billing partner or lead an internal review of their system annually; we can assess whether their checks and balance systems are working and ensure that their internal compliance is appropriate. We can also oversee their internal audits biannually or quarterly, so that provider groups can be sure they're compliant with the latest medical policy and code sets that are updated throughout the year.

Proactive work like this is far more rewarding and a lot cheaper than when we have to come in as experts during litigation.

**Magi:** Speaking of litigation, when you're brought into cases, if it's required, can your team establish or refute medical necessity of care for a patient?

**Kari:** Our team doesn't establish medical necessity of care. Instead, reviews conducted by our nurses and coders focus on whether the clinical evidence that has been documented supports the need for the service or procedure provided.

But, since our team are all registered nurses, when we're doing a case review, we will look at things from a causal relationship and assess whether the treatment seems to make sense in a linear way. If there is even the appearance of an issue with whether the care was medically necessary or not, we will bring our concerns to the attorneys and recommend that they bring in a doctor to do a deeper dive.

**Magi:** What is one of the more interesting medical necessity cases you have worked on?

**Pam:** There was a case where a cardiologist was being accused of medical malpractice. The case started because stents that were allegedly not medically necessary were put into a patient who ultimately died. While looking into the physician, it was realized there were multiple patients in whom he had implanted medically unnecessary stents over a number of years. So, what started as a malpractice case, turned into a fraud case where the provider was reported to the Office of the Inspector General for billing USD 16 million worth of medically unnecessary care.

This was, and cases like this often are, discovered by leveraging a provider's audit trail. There's a lot of data and information behind the scenes that talks about the behavior of providers that is accessible in an audit trail that's not accessible anywhere else on the billing side. If those services were not medically necessary, it is fraudulent billing, and those procedures should not have been performed in the first place. So, sometimes malpractice can be fraud and vice versa.

**Magi:** Parting thoughts, how can healthcare attorneys leverage medical billers, coders, and nurse reviewers to bolster their clients' cases?

**Kari:** Healthcare attorneys will find that billers, coders, and nurse reviewers play a crucial role in legal cases involving insurance claims, reimbursement disputes, and fraud investigations. The responsibility of billers and coders is to review medical records for accurate billing and coding practices and identify any discrepancies in the billing statements such as seen with upcoding, unbundling, or fraudulent claims. They can provide insight into standard billing practices to refute or support damages claims. Billers and coders can assist with determining whether procedures were billed correctly and whether insurance denials were justified. Regarding Medicare and Medicaid fraud cases, billers and coders can pinpoint patterns of fraudulent billing such as phantom billing or excessive charges. Additionally, they can help provide benchmarks for usual and customary charges.

Nurse reviewers use their clinical nursing experience to evaluate medical records and then provide insights into the standard of care, treatment appropriateness, and potential medical errors. They also are able to connect the dots from a clinical standpoint and how that information ultimately impacts billing and coding.

Billers, coders, and nurse reviewers also help to establish or dispute a link between alleged injuries and medical events. They can assist with regulatory compliance regarding federal and state healthcare regulations.

By understanding the impact that billers, coders, and nurse reviewers can have on litigation, insurance claims, and providers' adherence to compliance rules, healthcare attorneys can strengthen their clients' interests.

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Magi Curtis is an Executive Vice President and leads J.S. Held's Healthcare Sector services. She has spent her career in healthcare, in both the policy and business sides of the industry. She has guided some of the nation's leading health systems and provider-based organizations as they navigated enterprise level change management initiatives, strategic partnerships and post-merger integration, strategic positioning, government relations and significant issue campaigns, crisis events, and internal and external engagement efforts. She has also worked closely with the founders of emerging healthcare companies to scale their business and establish operational structures to maximize productivity and enable growth. Prior to joining J.S. Held, Magi was a partner at a top national healthcare consulting firm. Magi also worked in Washington, D.C. in health policy as a staffer in the US Senate, at Navigant Consulting, and the Children's Hospital Association.

Magi can be reached at magi.curtis@jsheld.com or +1 615 626 0023.

Kari Williamson leads J.S. Held's Medical Bill Review & Nurse Consulting services. Kari is frequently invited to speak and publish as a leader in the legal nurse consultant field on emerging medical-legal and insurance claims issues, such as data mining, bill audits, medical reviews, internal or external medical assistance, claims education, and new ways to measure and improve outcomes. She writes for a variety of national and regional insurance and legal publications and often speaks to law firms, insurance groups, and other industry organizations.

Kari can be reached at kwilliamson@jsheld.com or +1 615 398 5229.

Pamela Hernandez, MBA, BSCJ, RN, TNCC, ENPC, CPC, FMC, LNC, is a Medical Billing and Coding Analyst in J.S. Held's Forensic Accounting – Insurance Services practice. As a registered nurse and healthcare consultant, she provides policy and procedure documentation review, healthcare consulting, expert coding and billing review, and legal nurse consulting expertise. She has held executive and leadership roles across multiple healthcare areas and is based in Texas.

Pamela can be reached at pamela.hernandez@jsheld.com or +1 512 885 1416.