



May 19, 2006

Jane Smith  
ABC Hospital  
1234 West Avenue  
Anytown, USA

RE: Coding of 80 Emergency Department Charts

Dear Jane,

Please find enclosed The Coding Network's facility and professional services coding review of 80 Emergency Department charts. The facility review of the E&M coding considered 78 of the charts submitted; 1 chart was missing documentation and 1 chart was considered a "no charge" (suture removal). Two comparisons were made: (1) the hospital's coding versus The Coding Network's coding using the hospital's protocol and (2) the hospital's coding protocol versus the American College of Emergency Physicians facility coding protocol. The professional services coding review considered 77 of the 80 charts submitted; nursing documentation only was provided for 2 charts and the professional services coding was not provided for 1 chart.

I have enclosed a patient-by-patient coding spreadsheet that compares the original coding with The Coding Network's proposed coding. Variances in the coding are explained in the comments columns. Additionally, there are summary tables of the distribution of the evaluation and management services coding and ancillary procedure coding performed by the hospital's and The Coding Network's coders. I have also enclosed an analysis of both the facility and professional services coding.

**The salient findings from the study are as follows:**

**Facility E&M Coding Using ABC Coding Protocol:**

1. There were 16 variances in the E&M level of service selection (21% variance). 13 of the 16 charts (17%) were undervalued resulting in lost income opportunities. 3 of the 16 charts (4%) were overvalued which represents minimal compliance exposure.
2. The Average Patient Charge for the ABC coders was \$578.82. The Coding Network's coding produced an APC of \$678.31. This represents a variance of \$99.49 per patient or 17%.

**Facility E&M Coding Comparing ABC Coding Protocol to ACEP Coding Protocol:**

1. There were 30 variances in the E&M level of service selection (38% variance). 7 of the 30 charts (9%) were undervalued while 23 of the charts (29%) were overvalued.
2. The Average Patient Charge for the ABC coders was \$578.82. The ACEP Protocol coding produced an APC of \$613.01. This is a variance of \$34.19 per patient or 6%.

**Facility Coding for Ancillary Procedures:**

1. 1 ancillary procedure was incorrectly coded.
2. 7 ancillary procedure codes were not supported by the chart documentation.
3. 49 ancillary procedures codes were missed.
3. Total coding errors:

**Using ABC Coding Protocol:**

- 16 Level of service coded incorrectly
- 1 Ancillary procedure coded incorrectly
- 7 Ancillary procedures not supported by documentation
- 49 Missed ancillary procedures
- 73 Total coding errors out of 205 possible codes (36% error rate)

**Using ACEP Coding Protocol:**

- 30 Level of service coded incorrectly
- 1 Ancillary procedure coded incorrectly
- 7 Ancillary procedures not supported by documentation
- 49 Missed ancillary procedures
- 87 Total coding errors out of 205 possible codes (42% error rate)

**Professional Services Coding:**

1. There was a variance in the E&M level of service of 14 charts out of 77 charts or 18%. 4 of the 14 charts (5%) were undervalued resulting in lost income opportunities. 10 of the 14 charts (13%) were overvalued which represents moderate compliance exposure.
2. The Average Patient Charge for the ABC coders was \$228.05. The Coding Network's coding produced an APC of \$200.82. This represents a variance of <\$27.23> per patient or <12%>.
3. 1 ancillary procedure code was not supported by the documentation.
4. Total coding errors:
  - 14 Level of service coded incorrectly
  - 1 Ancillary procedure not supported by documentation
  - 15 Total coding errors out of 99 possible codes (15% error rate)

I will call you in a few days to answer any questions that you might have. You can reach me at (310) 459-4186 or via email at [ngreen@codingnetwork.com](mailto:ngreen@codingnetwork.com).

All of us at The Coding Network look forward to the possibility of assisting the ABC Hospital to improve its coding for its Emergency Department services.

Sincerely,

*Neal Green*

Neal Green, M.B.A.  
Executive Vice President

Encl.



THE CODING NETWORK  
LIMITED LIABILITY COMPANY

Coding Review  
of  
Emergency Department  
Facility & Professional Fee  
Coding  
for  
ABC Hospital  
Anytown, USA

May 19, 2006



## FACILITY CODING ANALYSIS

### I. FINDINGS

#### Coding Protocol

A. The Coding Network first utilized ABC Hospital’s coding protocol to code the charts to analyze if the hospital coders were appropriately following their own protocol. Using the ABC coding protocol, we found a 21% variance rate reflecting primarily an undervaluation of E&M level of service by the ABC coding staff. We then utilized ACEP’s facility acuity based criteria for Emergency Department facility level coding. Compared to the ACEP protocol, ABC’s protocol overvalued the emergency room level of service 29% of the time (23 out of 78 charts).

#### Sample Size

B. The hospital provided 80 charts to review. We were able to consider 78 of the charts submitted for the E&M coding comparison; 1 chart was missing documentation and 1 chart was considered a no charge (suture removal).

#### Average Patient Charge

C. Facility fee schedules typically yield a \$400-\$700 average patient charge. In the 78 chart sample, the following average patient charges were generated:

ABC: \$578.82 (ABC Protocol)  
 TCN: \$678.31 (ABC Protocol)      Variance: \$99.49 (17%)  
 TCN: \$613.01 (ACEP Protocol)      Variance: \$34.19 (6%)

#### Coding

D. From the 78 chart sample, coding variances on E&M levels of service are described below:

*ABC Hospital Coding Protocol:*

<b>Overvalued:</b>		
<i># Charts</i>	<i>ABC Coded</i>	<i>TCN Coded</i>
1	99285	99284
1	99284	99283
1	99283	99282
<i>3 Variances out of 78 E&amp;M transactions coded (4% variance rate)</i>		
<b>Undervalued:</b>		
4	99285	99291
2	99284	99285
4	99283	99284
1	99282	99284
2	99282	99283
<i>13 Variances out of 78 E&amp;M transactions coded (17% variance rate)</i>		
<b>Grand Total: 16 Variances out of 78 E&amp;M transactions coded (21% variance)</b>		

*ACEP Facility Coding Protocol:*

<b>Overvalued:</b>		
<i># Charts</i>	<i>ABC Coded</i>	<i>TCN Coded</i>
4	99285	99284
1	99285	99283
13	99284	99283
4	99283	99282
1	99283	99281
<i>23 Variances out of 78 E&amp;M transactions coded (29% variance rate)</i>		
<b>Undervalued:</b>		
<i># Charts</i>	<i>ABC Coded</i>	<i>TCN Coded</i>
2	99285	99291
2	99284	99285
3	99282	99283
<i>7 Variances out of 78 E&amp;M transactions coded (9% variance rate)</i>		
<b>Grand Total: 30 Variances out of 78 E&amp;M transactions coded (38% variance)</b>		

There was 1 instance where an ancillary procedure was incorrectly coded:

<b>Patient#</b>	<b>ABC Coded</b>	<b>TCN Coded</b>	<b>Description</b>
43	90782	90471, 90718	DTd Immunization
<b>Grand Total: 1 out of 86 procedures coded by ABC (1% variance)</b>			

There were 7 instances where ancillary procedures were not supported by the documentation:

<b>Patient#</b>	<b>ABC Coded</b>	<b>Chart Documentation</b>
2	59812	Pelvic exam covered by E&M code
23	93005	Unable to obtain EKG
44	93005	EKG not ordered or documented
79	90718x4	IV replaced with saline lock after 14 minutes
<b>Grand Total: 7 out of 86 procedures coded by ABC (8% variance)</b>		

There were 49 instances where ancillary procedures were missed:

<b>TCN Coded</b>	<b>Total # Coded</b>	<b>Description</b>	<b>Patient #s</b>
29125	4	Splint	24, 48, 62, 74
51701	1	Bladder cath	55
51702	1	Foley cath	70
90471	1	Immunization	64
90746	1	Hepatitis B	64
90780	13	IV Admin, 1 <sup>st</sup> hr	2, 3, 8, 18, 19, 23, 28, 32, 40, 44, 45, 50, 60
90781	6	IV, Ea addl hr	3, 18, 23, 44, 50, 60
90784	13	IV Injection	3 (x4), 19, 44, 50 (x2), 79 (x5)
91105	1	NG Tube	19
93041	8	Cardiac Monitor	1, 5, 18, 23, 52, 60, 70, 79
<b>Grand Total: 49 out of 127 possible procedures coded (39% variance)</b>			

Total coding errors were as follows:

**Using ABC Coding Protocol:**

- 16 Level of service coded incorrectly
- 1 Ancillary procedures coded incorrectly
- 7 Ancillary procedures not supported by documentation
- 49 Missed ancillary procedures
- 73 Total coding errors out of 205 possible codes (36% error rate)

**Using ACEP Coding Protocol:**

- 30 Level of service coded incorrectly
- 1 Ancillary procedures coded incorrectly
- 7 Ancillary procedures not supported by documentation
- 49 Missed ancillary procedures
- 87 Total coding errors out of 205 possible codes (42% error rate)

**Documentation**

E. The nursing documentation is time oriented and does not group similar types of care together making the medical records difficult to evaluate from a coding perspective. In general, the nurses are documenting appropriately, however, infusion documentation could be improved (i.e., push versus piggyback, length of time).

**II. Coding Comparison**

*ABC Hospital Coding Protocol:*

<u>Code</u>	<u>ABC Hospital</u>	<u>The Coding Network</u>	<u>Variance</u>
99281	0	0	0
99282	6	4	+2
99283	23	21	+2
99284	26	29	-3
99285	23	20	+3
99291	0	4	-4
<b>Grand Total:</b>	<b>78</b>	<b>78</b>	
Procedures	86	127	-41

*ACEP Facility Coding Protocol:*

<u>Code</u>	<u>ABC Hospital</u>	<u>The Coding Network</u>	<u>Variance</u>
99281	0	1	-1
99282	6	7	-1
99283	23	34	-11
99284	26	16	+10
99285	23	18	+5
99291	0	2	-2
<b>Grand Total:</b>	<b>78</b>	<b>78</b>	
Procedures	86	127	-41

## PROFESSIONAL SERVICES CODING ANALYSIS

### I. FINDINGS:

#### Coding Protocol

A. The Coding Network adheres to the American College of Emergency Physicians' coding policies, as well as, CPT and ICD-9 coding principles. The Coding Network typically codes according to payor specific guidelines, however in this sample, the payor information was not provided. Additionally, The Coding Network recognizes that professional services coding and facility services coding have distinct documentation requirements. These distinct requirements can result in different E&M levels of service being assigned on the professional versus the facility side for the same patient encounter.

#### Sample Size

B. ABC provided 80 charts to review. Of the 80 charts, The Coding Network was able to compare the E&M coding of 77 charts; nursing documentation only was provided for 2 charts and the professional services coding was not provided for 1 chart.

#### Fee Schedule / Average Patient Charge

C. Typical professional fee average patient charges run between \$200 - \$275 nationwide. In the 77 chart sample, ABC's coding produced an APC of \$228.05 while The Coding Network's coding produced an APC of \$200.82. The difference in average patient charge calculates to <\$27.23> per patient or <12%>.

It should be noted that one ancillary procedure coded by ABC, which The Coding Network believes is not supported by the chart documentation and therefore was coded in error, totaled \$1,516.00 or 38% of the total ancillary charge figure. If that charge were not included in the calculation, the ABC APC would equal \$208.36.

#### Coding

D. Coding variances on E&M levels of service are described below:

<b>Overvalued:</b>		
<i># Charts</i>	<i>ABC Coded</i>	<i>TCN Coded</i>
1	99285	99284
6	99284	99283
2	99283	99282
1	99283	99281
<i>10 Variances out of 77 E&amp;M transactions coded (13% variance rate)</i>		
<b>Undervalued:</b>		
2	99284	99285
1	99283	99285
1	99282	99283
<i>4 Variances out of 77 E&amp;M transactions coded (5% variance rate)</i>		
<b>Grand Total: 14 Variances out of 77 E&amp;M transactions coded (18%)</b>		

There was 1 instance where an ancillary procedure was not supported by the documentation:

Patient#	TCN Coded	Description
2	59812	Pelvic exam covered by E&M code
<b>Grand Total: 1 out of 23 procedures coded by ABC (4% variance)</b>		

Total coding errors:

- 14 Level of service coded incorrectly
- 1 Ancillary procedure not supported by documentation
- 15 Total coding errors out of 99 possible codes (15% error rate)

**Documentation**

E. The physician documentation was generally good. Before stating “all other systems reviewed and negative,” pertinent positives and negatives should be documented. Splint checks should be documented.

**II. CODING COMPARISON**

*44 Chart Sample*

<u>Code</u>	<u>ABC Hospital</u>	<u>The Coding Network</u>	<u>Variance</u>
99281	0	1	-1
99282	6	7	-1
99283	24	27	-3
99284	29	22	7
99285	18	20	-2
<b>Grand Total:</b>	<b>77</b>	<b>77</b>	
Procedures	23	22	+1