

HBP Pathology Billing Audit Check List

Focus	Task	Detail
Charges	Charge Verification	Establish the relationship between Department volumes (from the LIS) and Billing System volume. Calculate gross charges and compare with accrued month of service results. <i>Use a three month delay</i>
Charges	Charge Control	Evaluate Department Accession Control Logs to determine if all services have been accounted for and billed. (Surgicals, Non-Gyn Cytology, MD Reviewed Pap Smears, Clinicals, Bone Marrows.) <i>Obtain the hospital revenue reports to compare professional counts with the volume of technical services.</i>
Charges	Electronic Charges	If the charges come from electronic downloads, verify reports from each of the modalities to compare with the data entered into the billing system. <i>Obtain a complete Accession report as well as the missings list.</i>
Charges	Coding Review	Perform an independent review by a Certified Coder of CPT and ICD-9 usage.
Charges	Process Flow	What is the relationship between the Specimen collect date vs. the date of reading and the date entered into the system and date billed?
Coding	Use of Billing Modifiers	Are modifiers being used appropriately for Pathology billing to reduce claim rejections? <i>How are rejections handled?</i>
Coding	Appropriate Reporting Codes	Are physicians using the appropriate reporting codes (ICD-9, CPT Category I and II, or temporary G-codes) necessary for successful participation in the Physician Quality Reporting Initiative Program (PQRI)? <i>Is a quarterly reconciliation performed to ensure all PQRI claims have been captured?</i>
Coding	Data Entry Coding Review	Is each service reviewed by a certified coder before it is entered into the system? <i>When errors are discovered how are they reviewed with the Pathologist and approved? Is a log maintained and results quantified on a monthly basis?</i>

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Demos	Financial Data Input	Review the timing of the demo data available for billing. How are subsequent changes addressed? <i>Is there a mechanism for dealing with self pay accounts at inception to assure these are re-checked with a delay?</i>
Third Party	Fee Schedule	Review the fee schedule. <i>Does the practice use input codes that offer greater flexibility than only one fee per CPT?</i>
Third Party	Credit Master	Does the Practice maintain a Credit Master? <i>Are each payer's contractual reimbursement rates loaded into the billing system with variance reports available?</i>
Third Party	Remittance Review	Determine if each carrier is paying correctly based on contractual allowances. (system reports vs. actual remittances) Allowances should be accumulated in a system extract with line item detail, by patient by payer. <i>Are there procedures being performed that need to be added to the Practice Contract?</i>
Third Party	Non-Payable Adjustments	Review write-offs due to non-payable diagnosis or CPT code. Review coding policies for accuracy. <i>What protocols have been established to have claims recoded and rebilled?</i>
Cash	Payment Postings	Verify the accuracy and timing of postings to patient accounts. Ideally, these should be posted the day of receipt. <i>Does the practice utilize a Bank lock box? How often are deposits made? Are system postings and deposits routinely reconciled?</i>
Cash	Unapplied Cash	Review status of all unidentified monies collected but not applied to patient accounts. <i>Determine the amount received that has not been posted for each month.</i>
Cash	Credit Balances	Review credit balance accounts to determine if they are being resolved in a timely manner. <i>How are credit balance accounts identified? Which payers handle this by a future "take back"? Which require checks to be issued?</i>
Cash	Patient Refunds	Verify that the volume and need for refunds is consistent with an efficient billing operation. <i>How often are refunds issued? What documentation is provided? Are protocols in place?</i>

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A/R	Billing Staff Configuration	Has the staff been organized by account or by function? <i>How many FTE work on the practice?</i>
A/R	Accounts Receivable Report by Totals and Patient Detail	Accounts greater than 90 days by Date of Service (focusing on each third party payer) are reviewed to determine if accounts have been worked in a timely manner. <i>Sort accounts with the highest dollar value and by payers with the shortest claim denial cycle.</i>
A/R	Global billing vs. PC billing	All activities that are billed globally would be audited separate from charges that are only for the professional component.
A/R	Billing Cycle	What are the billing Cycle days? Are dunning letters used in the billing cycle? At what point are accounts transferred to collections? <i>Is there a minimum dollar?</i>
A/R	Accounts on Hold	Examine charges in this category for effective resolution. These services are not being billed because of "fatal errors".
A/R	Accounts to Collection	Liquidation reports need to be evaluated. Does the billing system send accounts separated by regular vs. bad address? <i>After a delay of three months any results greater than 20% indicates that the billing system may not be effective.</i>
A/R	Collection Agency Reporting	Does the system write-off to collection mirror the amount acknowledged by the Agency? Are liquidation reports available? <i>How often are they provided? Is there a minimum placement amount?</i>
Reporting	Billing System Reports	Determine the system reports that are produced on a daily, weekly and monthly basis. <i>What does the billing manager find useful in managing daily functions?</i> What is available to the practice on a routine basis? (STD monthly and custom reports) Can the system provide detail that would focus on one modality i.e. Surgical showing charges, payments, adjustments and remaining AR by month of service? Or on one payer?
Reporting	Billing System Review	Determine the systems capacity to accommodate growth. Review Billing Cycles and protocols. (Third Party Compliance)

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Protocols	Operations Manual	Does the practice maintain a manual of all procedures and protocols? Review policies such as small balances write offs, PR, approval on accounts to collection, Hardship criteria, employee service discounts applied. <i>Is this manual current?</i>
Protocols	No Charge Policy	How are "No Charge" procedures handled?
Protocols	Compliance Program	Audit a statistically relevant sample of accounts. Is there a written plan and is it being implemented? Who is the Practice Compliance Officer? <i>While 5% is statistically relevant, determine whether the practice has a compliance plan that requires a certain volume of services to be included in a coding audit.</i>

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