

Coding Compliance in Healthcare: Top Errors and Tech Solutions



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Medical coding is the stage most susceptible to error in [Revenue Cycle Management](#) (RCM). This is the point at which every procedure, medicine, or test administered during patient care is categorized by a universal alphanumeric code and submitted for reimbursement. Initial reimbursement is sought from private insurers and government programs before a final bill is submitted to the patient.

Medical coding errors can cost practices hundreds of thousands of dollars over time. Inaccurate codes may lead to claim denials by insurers, taking weeks to reconcile. Prolonging the revenue cycle ties up funds needed to cover operational costs.

The consequences of coding errors can be far greater than delaying payment. Repeated errors can trigger a coding compliance audit in which your organization is investigated for fraud. Whether or not the miscoding was intentional, your practice could still be subjected to substantial penalties and fines.

Patients are likewise negatively impacted by coding errors. Incorrect billing statements or inaccurate denial letters can degrade patient trust, especially for patients who are on fixed incomes or those with existing medical anxiety. Necessary procedures can be delayed due to insurers not receiving the proper coding for a diagnosis.

While this list is not exhaustive, these concerns alone are worrisome enough.

There are ways to reduce your risk of coding errors. We'll examine some of the more common coding errors and look at tech solutions that can alleviate some of the friction from this stage of RCM.

Common Coding Errors

Medical documentation and coding are responsibilities shared across multiple members of the medical and administrative staff. The more parties involved, the greater the possibility for human error. **Incomplete or insufficient documentation**

When medical documentation is insufficient or unclear, medical coders cannot create statements of service that accurately reflect the treatment received. They may miss a diagnosis code required for the services rendered.

Misapplied code

A misapplied code results in billing for services not rendered. This mistake can result from something as straightforward as a typo, though there are other ways that an incorrect code can be applied.

Some coding mistakes can even trigger an audit:

- Upcoding, which is when a patient is billed for a more complicated procedure than the one they received. This can happen by mistake but still results in overbilling, which is illegal.
- Unbundling, or the process of separately coding and billing for a series of individual procedures when there is already a single code for the whole group of procedures. This results in a higher total bill and is viewed as fraud.

Double billing

Double billing results from multiple parties billing a patient for the same procedure, test, or supplies. This is largely caused by poor communication or a lack of standard procedures. **Tech Solutions for Healthcare Coding Errors**

Proper training and communication will help avoid some of these common coding errors, but may not catch all of them. Fortunately, there are technology solutions that will not only reduce your risk of coding errors but speed up your revenue cycle as well.

Here are a few of the top medical coding compliance solutions available.

Automation

Medical coding personnel are subject to fatigue from the sheer volume of repetitive tasks involved in coding compliance. By having these tasks automated, your coding team is free to focus their attention on higher priority coding tasks, like ensuring complex procedures have been properly accounted for.

Coding automation can also manage things like insurance pre-authorizations, claims reconciliation, and the identification and correction of existing coding errors.

Electronic claims

Electronic claims utilize a digital claims form that can be submitted electronically to third-party payers or patients for remittance.

Advances in technology and digital security make the electronic claims process safe and compliant. With electronic claims overhead of paper and postage is eliminated and the revenue cycle is reduced.

EHR

Electronic Health Records (EHR) eliminate a lot of errors that arise from illegible handwriting. Legislation passed more than a decade ago outlined health data requirements and offered stimulus incentives for organizations to adopt and use EHRs.

Even with the digitization of most health data, patient intake forms are still largely hand-written and transcribed. This transcription process can result in inaccurate patient information and negatively affect the claims process.

Since improper transcription is a friction point in medical coding, you may consider the adoption of digital intake forms as well.

Consider Outsourcing

As both medical and administrative technology advances, so does coding compliance. Another solution to ensure your organization is managing its revenue cycle efficiently is to outsource the coding and billing process.

Outsourcing places the responsibility of coding compliance in the hands of professionals and frees up your staff to focus on patient experience and outcomes. **Examine Your Coding Compliance Plan**

If you haven't reevaluated your coding compliance program recently, now is the time to do it. A lot has changed in the past decade with the adoption of EHRs, the impact of COVID, and advancements in medical administrative software.

[Contact Dean Dorton](#) to learn how we can help.