



## Case studies from three settings



## Using coding sourcebooks to enhance practice performance

Site 1: Moffitt Heart & Vascular Group,  
Wormleysburg, Pa.

Site 2: Upstate Neurology Consultants LLP,  
Albany, N.Y.

Site 3: Lighthouse Medical Management,  
Providence, R.I.

Read case studies from three settings.  
Learn how they use the coding  
profile sourcebooks.



# Background

Group practices intent on improving operations, maximizing revenues and reducing reimbursement-related risks are paying ever-greater attention to evaluation and management (E&M) coding. As a practice analyzes and compares individual physicians' coding patterns with those of colleagues, the group gains insight into performance, productivity and opportunities for improvement.

Simply, a group can identify and address outliers:

- **Undercoding** occurs when the procedures performed are more complex than documented, causing the practice to forfeit legitimately earned revenue. Those who undercode may believe a less complex code will reduce the likelihood of an audit or simply lack knowledge of proper coding technique.
- **Overcoding** results when reimbursement documentation states procedures performed were more complex than actually provided or medically necessary. Payer sanctions can be severe and can include federal criminal prosecution.

Such internal analysis is not only good business, it is strongly advised by the Department of Health and Human Services' Office of Inspector General (OIG). The OIG recommends that medical practices conduct annual self-audits as part of their ongoing compliance programs. A sample of five to 10 medical records per physician is suggested.

By comparing physician and practice coding patterns with reliable benchmarks, practice administrators and consultants can take this analysis to the next — and national — level.

The Medical Group Management Association (MGMA) publishes a three-volume series of *Coding Profile Sourcebooks for Primary Care Specialties, Medical Specialties and Surgical Specialties, Pathology and Radiology*.

The sourcebooks present procedure and related diagnosis information collected by Physcape Inc., an MGMA Services company. The sourcebooks' data reflect more than 42 million procedures.

The MGMA sourcebooks also provide subset classifications of particular value to practice analysis, including:

- **Diagnosis** — Examination of E&M code frequencies by diagnosis enables analysis that controls for severity.
- **Age and gender breakdowns** — These indicators yield a more accurate basis for comparison with peers.

Early users of the sourcebooks report practical usages directly benefiting practice performance. The following case studies demonstrate typical applications.

# Site 1: Moffitt Heart & Vascular Group, Wormleysburg, Pa.

## Challenge:

Established in 1972, Moffitt Heart & Vascular Group ([www.moffittheart.com](http://www.moffittheart.com)) is a 21-physician, three-site cardiology practice in midstate Pennsylvania. Doctors code their own E&M procedures, and the group has a designated coding-compliance physician. An external consultant meets semiannually with medical staff to discuss documentation. In spring 2003, practice leaders decided to conduct an internal audit of code utilization to determine if undercoding and/or overcoding were issues of concern. Given the diversity of the group's patient base, the auditing team wanted coding profiles more comprehensive than those available from the Centers for Medicare & Medicaid Services (CMS).

## Strategy:

Michael F. Smith, MD and Administrator/Controller, William (Bill) Strouse, MBA, CPA, led the effort using the *MGMA 2002 Coding Profile Sourcebook: Medical Specialties*. Physician coding data were obtained from the group's practice management system. Findings were compared with sourcebook profiles and a seven-graph visual report was prepared for each physician. The composite report was then presented at the May 2003 group meeting.

## Results:

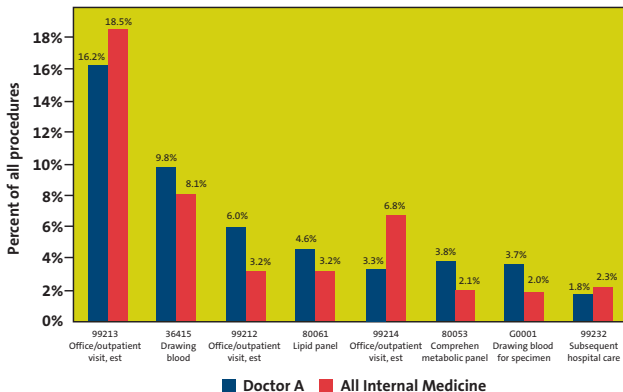
"Physician response was very positive," Strouse notes. "Everyone thought it was a very efficient way to see how they compared to the average.

"Overall, though, there were no huge surprises. A couple of physicians were outliers, and there was discussion on the validity of the averages. We did find some of our most experienced physicians were undercoding while newer docs were more aggressive." Strouse states that the veteran physicians "... are also the best documenters. They keep the best notes." Given the potential for increased and well-earned revenue, it's an area the practice intends to explore.

The sourcebook serves double duty in operational decisions, Strouse notes. "We're evaluating adding another specialty, and this helps us project revenue." Specifically, the group uses data profiles from MGMA to confirm whether the procedure mix projected by the prospective physician partner is realistic. The sourcebook will likely play a role, as well, as the group ponders expansion of its echocardiography service.

This sample graph is provided for format purposes only. Percentages and profiling data have been modified to ensure privacy.

**Most frequently performed procedures  
(as a percent of all procedures)**



# Site 2: Upstate Neurology Consultants LLP, Albany, N.Y.

## Challenge:

Established in 1992, Upstate Neurology Consultants ([www.neurologychannel.com/upstateneuro](http://www.neurologychannel.com/upstateneuro)) is a private, three-office neurology practice composed of five adult neurologists and one pediatric neurologist. The group services five hospitals — one academic center, a top-100 site and three smaller community hospitals. Practice Manager, William (Bill) Henderson, FACMPE, set two goals:

- Compare the group's procedure mix with that of its national counterparts.
- Assess coding patterns as part of their internal compliance program.

## Strategy:

A strong advocate of benchmarking, Henderson opted for the *MGMA 2002 Coding Profile Sourcebook: Medical Specialties* to ensure "a national perspective," he states. He focused on E&M coding, comparing the percentage and nature of procedures performed by the group's neurologists to peers nationwide. The sourcebook's neurology data reflect some 328,216 procedures and provide established-patient comparisons by the top three ICD codes, gender and age. "I had previously downloaded neurology data from Medicare," Henderson notes, "but those data are always outdated a year." Findings were presented to the group via a 25-page report.

## Result:

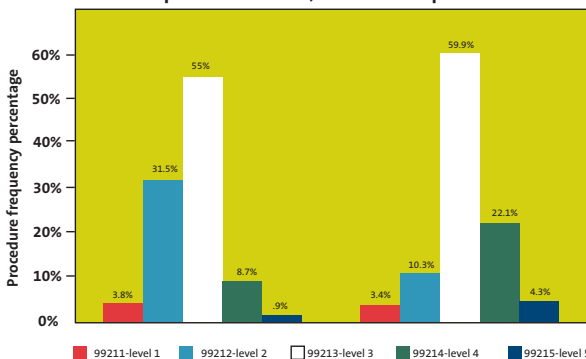
"The report was received very positively," Henderson says. "It's easier to talk conceptually when you can present the data in a number of different ways. We looked at what other neurologists are doing ... how they're spending their time.

"What we learned," he continues, "is that we're doing a lot more hospital work than other groups. We're also doing a lot more electrodiagnostic testing." But given the fact that all of the group's physicians are fellowship-trained and board-certified, neither finding came as a surprise. The group gained considerable clarity regarding hospital alliances. "We've always wondered if we wanted to be involved with as many hospitals," Henderson says. "Having these visual data helped us evaluate that further. It's now likely we will reduce the number of hospitals we serve over the next three years."

The group's coding quality efforts have also benefited. "These data get superimposed over our internal compliance," Henderson states. Early comparisons have resulted in the administrator conducting "... a practice-specific review of one procedure — 99255 (initial inpatient consult)," he notes. "We think there's potential for revenue enhancement there."

Will the overall return on investment for the sourcebooks prove the purchase a wise one? "No question about that," Henderson affirms. "It generates information for two purposes: to educate the physicians, and to make strategic decisions. That's what our physicians depend on me to do."

Comparing E&M coding for office or other outpatient services, established patient



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## Site 3: Lighthouse Medical Management, Providence, R.I.

### Challenge:

Lighthouse Medical Management ([www.lhmm.com](http://www.lhmm.com)) provides billing and consulting services to medical practices throughout the United States. The company's clientele includes 1,200 medical providers — from solo practitioners to 80-physician groups — representing 35 specialties. Director of Physician Services Nancy Enos, CMPE, CPC, says she and her six-consultant team “were looking for objectivity” when first presented with the MGMA sourcebooks. Lighthouse purchased all three sourcebooks.

### Strategy:

“The frequency with which we see doctors not in (coding) compliance makes this a priority,” Enos explains. “We need ways to present the facts so our doctors don’t get defensive. We need them to see we’re looking out for their best interests.” Her early review of the sourcebooks confirms their direct value in this sensitive arena, she states.

### Result:

“Every month, we provide our physician clients a set of management reports that details total charges and payments. We then do a breakdown by diagnosis and type of procedures, using the procedure analysis for feedback.” In too many instances, Enos says, “... they’re missing reimbursement opportunities from the start. When coding becomes random, they’re leaving money on the table.”

They’re also increasing their risks — something no physician now takes lightly. “We’re seeing a tremendous change in this area,” Enos adds. Despite the fact that the Health Insurance Portability and Accountability Act has no direct link to compliance, she is confident it “... is raising physician awareness of the issues surrounding compliance. There’s an incredible power to punish. It’s like having the police on the highway for the 4th of July weekend.”

Enos sees immediate applications for sourcebook data and profiles in three areas:

- Designing E&M forms that allow highly accurate procedure coding;
- Presenting outlier information in a nonconfrontational manner;
- Demonstrating the benefits of coding-related benchmarking as part of Lighthouse’s commitment to professional education.

“Each month we host a specialty-specific breakfast session at no charge,” Enos says. “We discuss E&M guidelines, coding opportunities and compliance issues. It will be great to give those attending this level of comparative data.”

*“When coding becomes random, they’re leaving money on the table.”*