

MDS Alert

Coding Procedures: Include 6 Essential Components for a Top-Notch Dx Coding Policy

Try a self-audit to prevent costly coding errors.

Creating an ICD-9 coding policy can help keep your claims flowing smoothly, but go into too much detail and you're just stirring up trouble. Here's how to create a policy that will save your organization both time and money.

1. **Begin at the beginning -- of your coding manual.** The first item your coding policy should include is a statement that your agency will adhere to the ICD-9-CM Official Guidelines for Coding and Reporting, found in the front of your coding manual, says **Trish Twombly, BSN, RN, HCS-D, CHCE, COS-C, HCS-O**, director of coding with Foundation Management Services in Denton, Texas.

Warning: Not staying up-to-date with these standard rules can lead to trouble. In some cases, your manual may go to print before the annual guidelines update. Find the most recent version here: www.cdc.gov/nchs/data/icd9/icd9cm_guidelines_2011.pdf.

Tip: The official instructions in the tabular list of your coding manual trump even the coding guidelines.

2. Flesh out your correction policy. It's important to document who is doing the coding and how you make corrections, says consultant **Karen Vance** with BKD in Springfield, Mo.

Guideline: The Centers for Medicare & Medicaid Services (CMS) states that the assessing clinician must be the one to assign diagnoses, but that a coding expert can assist with proper sequencing and adherence to coding rules.

3. Have an education plan. Your coding policy should describe how coding staff will stay up-to-date and maintain their coding competencies.

4. Establish your auditing process. One of the best ways to prevent coding mistakes from impacting your reimbursement is to correct them before you submit a claim. Internal auditing can help make sure your coding is accurate. Your audit process description should include the percentage of charts you'll audit for accuracy and how frequently you'll conduct audits, Twombly says.

5. **Measure your coding accuracy.** Setting an expected accuracy rate gives coders something to work toward. If, for example, you require your coders to maintain a 95 percent accuracy rate with their coding, include this information in your policy, Twombly says. Meeting regularly with coders to go over their ratings can be helpful -- if you do so, be sure to include this information in your policy as well.

6. Stay up-to-date. Keep your coding policy current. It's a good idea to meet periodically to make certain your policy is current, Twombly says.

Waste of time: Don't write policies that are too specific, Twombly says. Indicating how you're going to code each particular diagnosis is time-consuming and doesn't pay off, she says. General policies that address the big-picture methods you use to keep your coding accurate are more useful and workable.

Note: The original version of this article appeared in Eli's Home Health ICD-9 Alert. For subscription information, call 1-800-508-2582.

