

Practice ABC. - Audit & Analysis Report

Sir,

This audit and analysis is based on the reports, received from Stephanie, and the tenure of this audit is May 2018 to May 2019. Due to unavailability of system access and limitations of reports, we couldn't go for the detailed audit. Our best possible findings are as follow:

Unusual Write Offs:

Upon verification, a lot of major services like E&Ms and Dialysis are found written off, which were supposed to be paid. With the given reports, we are unable to figure out the reasons but we believe these services should have been paid. (Please see the attached "Write Off Detail" report).

- **Inappropriate/Missing Modifier:**

There are five cases found where the E&M services are denied due to missing of an appropriate modifier. These codes need to be rebilled by appending modifier "25" and will get paid. (Please see the attached "incorrect-missing Modifiers" report).

- **Billing to Incorrect Payers:**

By reviewing the reports, it seems that they people do not verify patient's eligibility before submitting the claims. Approximately 48 cases are found where the claim was initially billed to incorrect payer, and after getting denials, billed to the correct ones. (Please see the attached "Billed to Incorrect Payer First" Report).

- **Open Claims:**

More than 300 claims amounting to \$73,000 are found open (unpaid). Out of which only 35 belong to Medicare rest are Medicaid and commercial payers, where, most of them would not be recoverable due timely filing limits passed. (Please see the attached “Open Claims” report).

- **Undercharged Services:**

It has been observed that most of the services are being undercharged. The fee they bill for the CPT’s are less than the Medicare allowance. It’s a loss of money. Below table shows the fee schedule analysis where the major CPT’s are under billed.

Fee Schedule Analysis				
S#	CPT	Billed Amount	Medicare Allowance 2019	Difference
1	90960	\$272.79	\$274.79	-\$2.00
2	90966	\$228.34	\$230.12	-\$1.78
3	90961	\$228.84	\$230.63	-\$1.79
4	90962	\$176.10	\$177.96	-\$1.86
5	90935	\$70.08	\$71.25	-\$1.17
6	99214	\$101.85	\$103.36	-\$1.51
7	99213	\$69.04	\$70.38	-\$1.34
8	99204	\$155.19	\$156.14	-\$0.95
9	99291	\$247.29	\$264.62	-\$17.33

- **Account Receivables:**

The total account receivables are \$127,000 which is 5 multiple of average collections. The patient AR is more alarming, if we look at the below table, Patient AR is more than \$53,00 out of which \$37,000 falls under 150 days plus bucket. We are unable to identify whether patient bills are dispatched or not. It needs to be taken care on priority, it's a confirm money.

The detailed AR report is attached.

ABC - A/R Summary

Account Receivable Summary	0 - 30	31 - 60	61 - 90	91 - 120	121-150	150 Plus	Total
Insurance AR	\$41,738.48	\$1,174.40	\$3,386.87	\$939.83	\$6,525.49	\$20,421.47	\$74,186.54
Patient AR	\$4,090.25	\$1,004.39	\$6,786.07	\$1,181.15	\$3,312.95	\$37,122.33	\$53,497.14
Total	\$45,828.73	\$2,178.79	\$10,172.94	\$2,120.98	\$9,838.44	\$57,543.80	\$127,683.68

- **Charges & Payments Analysis:**

Below table shows the Charges & payments analysis by date of service. Based on these analysis, the average patient volume is **276**, the average charge is **\$45,000** and the payment is **\$30,000**. But if look at the last three months, the patient volume is dropped which needs to be investigated further.

Charges & Payments Analysis

Month	No Of Claims	Charge Amount	Total Payment	Collection %age	Insurance Payment	Pt. Payment	Contractual Adj.
18-May	162	\$32,178.74	\$22,409.22	69.64%	\$21,079.59	\$1,329.63	\$6,395.17
18-Jun	327	\$53,985.74	\$34,477.85	63.86%	\$32,942.18	\$1,535.67	\$11,102.42
18-Jul	335	\$55,376.68	\$37,575.97	67.86%	\$35,130.10	\$2,445.87	\$8,676.20
18-Aug	336	\$57,275.20	\$39,637.93	69.21%	\$37,509.83	\$2,128.10	\$12,016.76
18-Sep	312	\$54,236.94	\$35,599.38	65.64%	\$33,801.45	\$1,797.93	\$11,428.52

18-Oct	403	\$64,493.55	\$44,431.38	68.89%	\$42,273.85	\$2,157.53	\$14,453.41
18-Nov	318	\$56,448.46	\$37,447.07	66.34%	\$35,529.22	\$1,917.85	\$11,042.02
18-Dec	278	\$47,643.24	\$30,987.79	65.04%	\$29,374.02	\$1,613.77	\$8,638.62
19-Jan	326	\$55,451.98	\$37,601.59	67.81%	\$36,713.10	\$888.49	\$9,351.71
19-Feb	246	\$45,912.32	\$31,273.12	68.11%	\$30,593.12	\$680.00	\$7,138.21
19-Mar	163	\$22,534.81	\$16,317.73	72.41%	\$16,027.36	\$290.37	\$2,324.06
19-Apr	226	\$31,242.40	\$21,197.65	67.85%	\$20,672.65	\$525.00	\$3,535.97
19-May	156	\$18,518.98	\$6,862.14	37.05%	\$6,677.14	\$185.00	\$630.55
Total	3588	\$595,299.04	\$395,818.82	66.49%	\$378,323.61	\$17,495.21	\$106,733.62
Average	276	\$45,792.23	\$30,447.60	66.49%	\$29,101.82	\$1,345.79	\$8,210.28

- **Top Ten Services:**

Top Ten Services		
CPT Code	Short Description	Occurrence
99214	Office E&M, Follow up, Level-4	1471
99232	Subsequent hospital care, per day, Level-2	456
90960	ESRD Related Service, 20 yrs and above, 4 visits in a month	412
99213	Office E&M, Follow up, Level-4	409
90935	Hemodialysis procedure with single physician evaluation	171
99204	Office E&M, New Patient, Level-4	169
90966	ESRD Related Service, 20 yrs and above, For Home Dialysis	158
99222	Initial hospital care, Level-2	85
99223	Initial hospital care, Level-3	69
99233	Subsequent hospital care, per day, Level-3	66

- **Top Payers:**

TOP Payers			
Sr. #	Insurance Name	Charge Amount	Payments
1	Medicare	\$250,238.34	\$224,430.71
2	BCBS	\$42,669.32	\$32,222.07
3	Select Health	\$92,726.63	\$45,847.56
4	UHC	\$12,248.78	\$4,404.03

- **Providers & Locations:**

There are two providers:

1. **ABC**
2. **DEF**

Note: Since Jan 2019, no claim found, billed under Dr. ABC except the 3 claims of Feb. It looks, he is no longer active in this practice.

And Five Locations:

1. **ABC**
2. **ABC**

- 3. ABC
- 4. ABC

- **Location Wise Summary:**

Location Wise Charge & Collection Summary From May 2018 To May 2019				
Sr. #	Location	Charge Count	Charge Amount	Payments
1	ABC	\$2,049.00	\$228,010.87	\$184,525.31
2	ABC	\$438.00	\$167,693.28	\$104,068.40
3	ABC	\$190.00	\$71,292.29	\$41,107.61
4	ABC	\$880.00	\$127,950.41	\$65,586.91
5	ABC	\$4.00	\$634.80	\$530.59

- **Provider Summary:**

ABC KIDNEY INST													
Provider Name	No. Of Encounters/Month Wise												
	18-May	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec	19-Jan	19-Feb	19-Mar	19-Apr	19-May
ABC	129	247	268	260	254	351	201	208	0	3	0	0	0
DEF	31	72	59	68	52	49	112	63	320	241	160	221	155
Total	160	319	327	328	306	400	313	271	320	244	160	221	155

Thank you,