

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: External Coding Vendors for Coding Services, Reviews and Related Education
PAGE: 1 of 6	REPLACES POLICY DATED: 2/1/10, 5/1/11, 2/1/12
EFFECTIVE DATE: October 1, 2015	REFERENCE NUMBER: REGS.COD.017
APPROVED BY: Ethics and Compliance Policy Committee	

<p>SCOPE: All Company-affiliated facilities including, but not limited to, hospitals, HIM Service Centers (HSC) and all Corporate Departments, Groups and Divisions, including, but not limited to, the following departments:</p> <table border="0"> <tr> <td>Facility Health Information Management Department</td> <td>Ancillary Departments</td> </tr> <tr> <td>Corporate Regulatory Compliance Support</td> <td>Legal</td> </tr> <tr> <td>Case Management/Quality Resource Management</td> <td>Finance</td> </tr> <tr> <td>Supply Chain</td> <td>Service Centers</td> </tr> <tr> <td>Ethics & Compliance Officers</td> <td>Administration</td> </tr> <tr> <td>HealthTrust Workforce Solutions</td> <td></td> </tr> </table>	Facility Health Information Management Department	Ancillary Departments	Corporate Regulatory Compliance Support	Legal	Case Management/Quality Resource Management	Finance	Supply Chain	Service Centers	Ethics & Compliance Officers	Administration	HealthTrust Workforce Solutions	
Facility Health Information Management Department	Ancillary Departments											
Corporate Regulatory Compliance Support	Legal											
Case Management/Quality Resource Management	Finance											
Supply Chain	Service Centers											
Ethics & Compliance Officers	Administration											
HealthTrust Workforce Solutions												
<p>PURPOSE: To ensure that all ICD-10-CM/PCS/CPT coding and coding review services of medical records for outpatient and inpatient visits and education related to such services performed by external vendors are compliant with official coding guidelines, Company coding policies, and other regulatory requirements.</p>												
<p>POLICY: Inpatient coding and coding review services shall include, at a minimum, the assignment and/or the validation of ICD-10CM/PCS diagnosis and procedure codes, MS-DRG, DRG, and/or other mandated prospective payment group assignment, based on supporting medical record documentation.</p> <p>Outpatient coding and coding review services shall include, at a minimum, the assignment and/or validation of ICD-10-CM/PCS diagnosis code, CPT procedure codes, ASC, APG, APC, or other prospective payment group assignment, and ICD-10-CM/PCS procedure coding, if applicable, based on supporting medical record documentation.</p> <p>Coding and coding review services will meet the quality and business practice standards established in this policy with either a certified vendor or a vendor that adheres to the policy standards. Certification of vendors is the responsibility of the Corporate Regulatory Compliance Support Department. Contract negotiation is the responsibility of HealthTrust Workforce Solutions. This policy does not apply to chargemaster reviews or coding/billing reviews for physician professional services.</p>												
<p>PROCEDURE: The following procedures outline the process for any facility, Group, Division, or Corporate Department to utilize once they have determined to initiate a coding service or review service by an external coding vendor. Coding review services (Section I) and coding services (Section II) require different steps to be taken.</p> <p>SECTION I: Selecting and Scheduling External Vendors for Coding Review Services Any facility, Group, Division, Service Center or Corporate Department requesting a retrospective external coding review service must choose a vendor from the certified vendor list and follow the process outlined below.</p>												

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The facility may request assistance from Regulatory Compliance Support for clarification and/or determination of the need, scope, and reporting of any external coding review.

The facility must select a vendor from the certified vendor list. (See the list of Certified External Vendors for Coding Reviews/Services at the following: [Certified External Vendors for Coding Reviews/Services](#) available on the Company's Intranet site).

- A. The facility/HSC must make arrangements for the review through PWMS, not with the vendor directly.
 1. All arrangements must be confirmed in writing by completing the Work Order/Provider Agreement for Coding Review Services (See Attachment A).
 - a. Facility/HSC completes steps 2-9 and submits via email, electronic format or phone to PWMS Hospital Account Manager.
 - b. If the facility/HSC has a vendor or employee preference, this should be made known to PWMS as well as if there are concerns with selecting another vendor if the preferred vendor cannot accommodate the request.
 - c. PWMS will take the request and work with all certified vendors and then submit profiles to the facility/HSC for approval and selection of the candidate.
 2. Once PWMS has secured a vendor for the dates requested, the facility/HSC would provide the vendor with any templates for reporting (including any HCA Healthcare mandatory reporting templates) to avoid duplication of recording and reporting.
 3. If all certified vendors cannot accommodate the record review request within four weeks of the request, PWMS will escalate to the Coding Vendor Project Coordinator.
- B. The facility/HSC should ensure the vendor is provided orientation and training regarding Company policies and facility-specific policies, and coding tools and resources before the vendor begins performing the services. If orientation has not been provided by the vendor to the vendor personnel, the facility/HSC will ensure the orientation occurs prior to performing the services.
- C. Final reports must be submitted to the facility or other requester and copied PWMS by the vendor as agreed upon with the Work Order/Provider Agreement within 30 days after the completion of an engagement. PWMS will provide a copy to the Coding Vendor Project Coordinator upon receipt. PWMS will ensure that reports are received for all coding reviews.
- D. The facility/HSC must keep the Work Order and all supporting documentation (e.g., record pull lists, review logs) to verify appropriate billing by the vendor.
 1. Facility/HSC will be responsible for validating charges supplied by vendor and notifying PWMS about the accuracy.
 2. Facility/HSC will not submit payment directly to vendor without consulting PWMS.

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- E. Payment to a vendor for services rendered is the responsibility of the facility, HSC, Group, Division, Service Center or Corporate Department requesting the services. The payment shall be coordinated with PWMS Accounts Payable.
- F. Unresolved concerns regarding the vendor should be communicated as follows:
 - 1. Unresolved concerns regarding coding recommendations will be forwarded to the Coding Vendor Project Coordinator for resolution.
 - 2. Unresolved concerns regarding contract issues will be handled by PWMS. If issues are unresolved, facility/HSC should consult Coding Vendor Project Coordinator for escalation.

SECTION II: Selecting and Scheduling External Vendors for Coding Services

A facility, Group, Division or Corporate Department has the option to utilize the certified external coding vendor list **or** negotiate a separate coding contract. Choosing a vendor that is not considered a Certified External Coding Vendor as defined in this policy is acceptable for Coding Services only. If the facility chooses to pursue a vendor not on the certified list, it is the facility's responsibility to ensure that the vendor meets the quality and business practice standards as well as the specific contract items outlined within the policy (Attachments D and E). Regardless of the vendor, all contracts for Coding Services will be initiated with PWMS.

- A. Any facility, HSC, Group, Division, or Corporate Departments requesting contract coding services support and wishing to use a vendor on the Certified External Coding Vendor list must follow the guidelines below. (See the list of Preferred Certified Coding Vendors available on the Company's Intranet site).
 - 1. Make arrangements for the coding service through the PWMS, not the vendor directly.
 - a. All arrangements must be confirmed in writing by completing the Work Order/ Provider Agreement for Coding Review Services (See Attachment B) -.
 - b. Facility/HSC completes steps 2-8 and submits via email, electronic format or phone to PWMS Hospital Account Manager.
 - c. If the facility/HSC has a vendor or employee preference, this should be made known to PWMS, as well as if there are concerns with selecting another vendor if the preferred vendor cannot accommodate the request.
 - d. PWMS will take the request and work with all certified vendors then submit profiles to the facility for approval and selection of the candidate.
 - e. If all certified and noncertified vendors cannot accommodate the coding services request within two weeks of the request, PWMS will escalate to the Coding Vendor Project Coordinator.
 - 2. The facility/HSC or department where the services are provided is responsible for keeping an activity log of dates and hours worked and number of charts coded by the contractor/vendor. Activity is to be reported to PWMS on a regular basis as agreed upon by all parties.

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3. The facility/HSC should ensure the vendor provided orientation and training regarding Company policies and facility specific policies, and coding tools and resources before the vendor begins performing the services. If orientation has not been provided by the vendor, the facility will ensure the orientation occurs prior to performing services.
 4. Potential coding compliance issues are to be resolved at the facility/department/HSC level initially. Those issues which cannot be resolved should be handled through the facilities' established channels. Inconsistent coding compliance and low coding quality evaluations, (less than 95 % accuracy) may lead to immediate termination of the agreement.
 5. The facility/HSC will be responsible for validating charges supplied by the vendor and notifying PWMS about the accuracy. The facility/HSC will not submit payment directly to the vendor without consulting with PWMS.
 6. Payment to the vendor for services rendered is the responsibility of the facility, Group, Division, Service Center or Corporate Department requesting the services. The payment shall be coordinated with PWMS Accounts Payable.
 7. Unresolved concerns regarding the vendor should be communicated as follows:
 - a. Unresolved concerns regarding coding recommendations will be forwarded to the Coding Vendor Project Coordinator for resolution.
 - b. Unresolved concerns regarding contract issues should be handled by PWMS for resolution. If issues are unresolved, the facility should contact the Coding Vendor Project Coordinator for escalation.
- B. Any facility, Group, Division, or Corporate Departments requesting contract coding services support and deciding to **NOT** utilize a vendor on the Certified External Coding Vendor list must ensure the vendor meets or exceeds the quality and business practice standards (see Attachment E) before entering into a contractual relationship for temporary inpatient or outpatient coding services. If vendor utilizes subcontractors, Attachment C should be completed and provided to PWMS. The specific contract items are listed in Attachment D and must be met in order for a vendor to be utilized. If the facility/HSC decides to use a noncertified vendor, it will complete Attachment F and submit to PWMS. If the facility has a vendor or an employee preference, this should be made known to PWMS.
1. PWMS would submit a request for proposal (RFP) to the vendor referencing the facility/HSC requirements included in Attachment F.
 2. Vendor/contractor must respond to the priority items pertaining to quality and business practice criteria outlined in Attachment E of this policy to PWMS.
 3. PWMS would share responses to the RFP with the facility/HSC. The facility/HSC HIM Director or designee must review and evaluate the provided responses. .
 4. The HIM Director or designee should interview vendors. Once the vendor is selected, PWMS would be notified by the facility and would then enter into a contract using the standard template (Attachment B). The final contract should be reviewed and approved by Operations Counsel. If facilities choose not to use the standard template, or choose to modify the template, the contract should contain the criteria outlined in Attachment D. A

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copy of the Contract Coding/Outsource vendor contract should be made available and forwarded to PWMS.

5. Follow steps outlined in Section II, A steps 2-6.
6. All steps in this process should be documented and maintained by the facility, HSC, Division, Group, or Corporate Department requesting the assistance as well as PWMS.
7. Potential coding compliance issues and contract disputes are the responsibility of the facility/department hiring the vendor/contractor and should be handled through established channels.

SECTION III - Request to Certify a Vendor

1. The Regulatory Compliance Support Department is responsible for maintaining the certified vendor list.
2. Any facility, Group, Division, Service Center or Corporate Department wishing to use a vendor not on the certified vendor list to perform external coding reviews must submit a written request to the Coding Vendor Project Coordinator stating the vendor name, address, contact person and the reason they are requesting to use the vendor prior to making review engagement arrangements.
3. Direct requests from vendors to become a certified vendor must be submitted in writing to the Coding Vendor Project Coordinator. Direct requests will be considered during open bid periods only.
4. Upon successful completion of contract negotiations, the facility or other requester of a vendor review will be notified and a contract may be initiated.
5. Regulatory Compliance Support will update this policy and all attachments as changes occur and communicate these changes throughout the Company following the policy and procedure revision process.

DEFINITIONS:

Coding Services – Inpatient and outpatient coding services shall include, at a minimum, the **assignment** of ICD-10-CM diagnosis, CPT procedure codes and ICD-10-PCS procedure codes, if applicable, based on supporting medical record documentation. It is not mandatory to utilize a certified vendor for coding services. It is required that the selected service meet quality and business practice standards for contract coding vendors.

Coding Review Services – Inpatient and outpatient coding review services shall include, at a minimum, **validation** of supporting medical record documentation and comparison of assigned ICD-10-CM/PCS and/or CPT codes assigned on the record to those submitted on the claim. ICD-10-CM/PCS and CPT Coding reviews performed by external vendors will only be completed by

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vendors who have been certified to meet the quality and business practice standards outlined in this policy.

Certified External Coding Vendor – Vendors that are included on the REGS Listing on the Company’s intranet entitled “Certified Coding Vendors for Coding Reviews and Services” are considered certified external coding vendors. Certified vendors must be utilized for retrospective coding reviews if not performed by the facility.

Coding Vendor Project Coordinator – The coordinator is a member of the Regs department and is responsible for maintaining and monitoring all activities related to the External Coding Vendors for Coding Services, Reviews and Related Education Policy, REGS.COD.017 as follows:

- Certification of qualified vendors
- Quality oversight of vendor coding accuracy
- Oversight of complaint resolution process
- Identify and communicate to PWMS and vendors policy change requirements needed for coding resources

Parallon Workforce Management Solutions (PWMS) Coordinator – The coordinator is responsible for maintaining and monitoring activities related to the External Coding Vendors for Coding Services, Reviews and Related Education Policy (REGS.COD.017) as follows:

- Monitor and report credentialing and staffing compliance prior to placement at a facility/HSC
- Vendor contract negotiations
- Collaboration with facilities for daily operations of vendor staffing for coding service or coding review service needs
- Facilitate compliant resolution process with facility and vendors

REFERENCES:

1. Provider Agreement for Coding Review Services ([Attachment A](#))
2. Provider Agreement for Contract Coding Services ([Attachment B](#))
3. List of Vendor Subcontractors ([Attachment C](#))
4. Specific Contract Items for External Coding Vendors ([Attachment D](#))
5. Quality and Business Standards for Contract Coding Vendors ([Attachment E](#))
6. Provider Request for Contract Coding Services for a Non-Certified Vendor ([Attachment F](#))