



Policy Information

Policy Title	<u>Auditing and Monitoring of Coding and Billing Practices</u>	Current Version Publish Date	10/2025
Policy Manual	Reimbursement	Original Effective Date	04/2022
Policy Department/Number	4	Next Review Date	Annual

Policy Applicability (LOB)

<input checked="" type="checkbox"/> Medicare Inc	<input checked="" type="checkbox"/> Commercial IA	<input checked="" type="checkbox"/> Commercial IL	<input checked="" type="checkbox"/> Health Choices
<input checked="" type="checkbox"/> Medicare WI	<input checked="" type="checkbox"/> Commercial WI	<input checked="" type="checkbox"/> CPPHP (Kansas)	

Policy Statement and Purpose

POLICY STATEMENT

To ensure accurate billing, coding integrity, and compliance with CMS, OIG, and industry standards by monitoring and auditing Established Patient Evaluation & Management (E&M) code utilization. This policy establishes procedures for reviewing provider records when E&M code usage falls outside benchmarks established by MGMA for their specialty for non-Medical Associates Clinic providers in the Tri-State Market.

Additionally, this policy establishes procedures for reviewing provider records for counseling services billed by time of visit when the level of service falls outside the benchmarks for psychotherapy codes as established by MGMA.

Policy Definitions

Benchmarks/Stratum: National and/or regional comparative data sources (e.g., CMS, AMA, specialty societies, internal analytics) that establish expected E&M utilization by specialty and place of service.

Outlier: A provider's billing pattern for specific E&M codes that falls above or below an established threshold (e.g., two standard deviations, percentile rank, or internal trigger levels).

E&M Services: Established Patient Evaluation and Management codes (CPT 99212-99215).

MGMA – Medical Group Management Association is a professional association that represents medical practice administrators and executives. MGMA provides benchmarking data.

Psychotherapy services; Psychotherapy codes (90832, 90834, 90837) as well as add on code 90785 Interactive Complexity

Policy Provisions and Required Procedures

Monitoring:

- The Plan will analyze E&M utilization annually by provider specialty, as well as Psychotherapy stratifying by place of service (e.g., office, inpatient, emergency).
- Outlier threshold is defined as 20% statistical variation against benchmarks as defined by MGMA.

1. Provider Notification:

- Providers identified as outliers will be notified in writing.
- Notification will include a summary of findings and request for supporting documentation.

2. Medical Record Audit:

- The Plan will request a statistically valid sample of medical records from providers that are identified as outliers
- Records will be reviewed by certified coders or auditors.
- Documentation must substantiate the level of E&M or Psychotherapy billed
- An Audit Report Summary shall be submitted to the MAHP Compliance Committee quarterly.

3. Corrective Action:

- If discrepancies are found, corrective action may include:
 - Education and feedback
 - Refund requests for overpayments
 - Pre-payment review or ongoing monitoring
 - Referral to Compliance for potential fraud, waste, or abuse investigations

4. Provider Appeal Rights:

- Providers may appeal audit findings in writing.

This policy aligns with CMS Program Integrity Manual, OIG Compliance Guidance, and industry-recognized coding standards.

Policy Owners /Reviewers			
Related Policies	File Cloud		
Related Training			
NCQA Standard			
References	Provider audit notification letter Frequently Asked Questions document Audit Results Provider Letter		
Exhibits			
Department Owner	Lisa Kuhls	Date Reviewed	10/2/2025

Department Reviewer	Network Strategy Committee	Date Reviewed	
Approving Committee if applicable	<input type="checkbox"/> Compliance <input type="checkbox"/> UMC <input type="checkbox"/> QIC <input type="checkbox"/> Board of Directors <input type="checkbox"/> Other: _____	Date Approved	
History			
Date of revision	Summary of changes 10/2025 - new format, changed from Provider Relations policy to Reimbursement policy, modified criteria and defined corrective action plan.		