

Business Systems Infrastructure

Coding Controls

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Internal Audit Layer

Enterprise Risk Management Layer

Corporate

- (6) Expert Coding Resources
- (8) Automated Compliance Coding Edits

Agency

- (7) 3M Coding Software
- (1) New Director/Clinical Mgr Training
- (2) Annual Coding Update Training

Clinician

- (3) Acquisition Coding Training
- (4) Monthly Coding Education
- (5) Clinical Operations Quality Newsletter

External

- (9) Outside Expert Coding Instructors

Coding Controls (continued)

It's important for investors to understand that coding regulations are extremely complex. They change each year and require intense recurrent clinical education. Amedisys employs many resources with a view toward ensuring proper coding.

1. New Directors/CM Coding Training

Clinical Managers (CM's) work at the agency level locally with visiting clinicians to determine the most appropriate clinical coding. All clinical managers need specific, in depth coding education. It is also important for our agency Directors to understand coding principles. For this reason, we have developed three Learn Center Computer Based Instruction courses (approximately 4 hours of learning time) that cover coding regulatory practices and home health coding compliance principles. These sessions are required for all new Director's and CM's, and are also used for specialized training as needed. Coding tests are electronically administered and a passing score of 80 must be obtained for certification of completion of the course.

2. Director/CM Annual Coding Update Training

Each year in October, the International Classification of Diseases (Revision 9) [ICD-9], updates select codes by adding and deleting certain diagnosis codes. This includes deletions, additions, and adjustments of more specificity to currently utilized diagnosis codes. For this reason, Amedisys conducts annual coding training via Learn Center Computer Based Instruction for the organization's Clinical Managers and Directors. Coding tests are electronically administered and a passing score of 80 must be obtained for certification of completion of the course.

3. Acquisition Orientation Coding Training

Employees who join Amedisys via acquisitions receive monthly Centra web based training with a live presenter on diagnosis selection training. This presentation is focused on selecting the proper diagnosis that is the focus of care in accordance with home health regulatory principles. All acquisition home health clinicians down to the field staff level are required to attend these training sessions. Coding tests are electronically administered and a passing score must be obtained for certification of completion of the course.

Coding Controls (continued)

4. Monthly Specialized Coding Education

In addition to new position and new agency coding training, specialized live web based Centra or teleconference training is performed for requesting agencies and field staff at a minimum of monthly. These are offered on a recurrent basis both as a refresher course for experienced coders and as an introductory session for clinicians new to the system.

5. Clinical Operations Quality Newsletter

The Clinical Operations Department routinely publishes a clinical newsletter. Each edition has a dedicated coding education section in which the top educational topics related to coding are published. This newsletter goes out to all clinicians within the organization.

6. Expert Coding Resources

It's imperative for clinicians to have on-going access to expert coding resources. As stated above, coding regulations are complex and change annually. In 2003, we added central coding experts who are certified in homecare coding. These coding experts are nationally certified and most hold multiple additional certifications.

7. Coding Software

Imbedded in the company's point of care system is an outside third party application known as 3M Coding software. This industry recognized software assists our Clinical Managers, who process our assessments, in managing the complex rules and terminology of ICD-9 coding. This software follows all important rules, principles, and guidelines for coding and is updated annually with any regulatory or ICD-9 changes.

8. Automated "compliance" coding edits

The organization has developed centralized automated coding compliance edits. Since locations are all connected via a Wide Area Network, the company developed global sweep reports. This program sweeps all coded assessments weekly and as needed and generates exception reports by agency that are used to identify assessments that may have been coded improperly.

Coding Controls (continued)

These automated compliance edits are designed to ensure the organization does not have an agency or individual purposefully upcoding volumes of assessments. Most often assessments coded improperly are attributable to a knowledge deficit as opposed to any willful intent. If any location has a trend of volumes of assessments coded improperly, it is reported to the Compliance Department. However to date, the organization has not discovered any trend of exception reporting in mass from multiple agencies. All locations understand the company has this exception based compliance programming. This infrastructure provides a deterrent to improper coding.

In studies of agencies in every region of the country, Fazzi and Associates, found that significant inconsistencies were discovered in each of the case mix domains, that impacted quality measures, financial reimbursement and OBQI risk scoring (3 M National Integrity Project, 2003). All homecare organizations experience coding and OASIS documentation inconsistencies.

Coding regulations are difficult to understand, change annually, and all new clinicians and key management must receive constant coding education. The organizations intent is to provide ongoing coding education to all key individuals, expert coding resources, and automated coding compliance edits to ensure proper controls are maintained.

9. Outside expert coding instructions

The Company utilizes regulatory coding and OASIS experts for credentialing its staff. The OASIS Certificate and Competency Board is utilized for third party OASIS certification. Lisa Selman-Holeman and Associates is utilized for third party coding certification. Both are recognized as experts in the industry.