

**DEPARTMENT OF HEALTH SERVICES
COUNTY OF LOS ANGELES**



SUBJECT: CODING OF MEDICAL RECORDS

**POLICY
NO.:** 390.2

PURPOSE: To promote accurate medical records coding.

POLICY: Each facility's Health Information Management (HIM) Division is accountable for the timely and accurate coding function. Accurate coding is an area of particular sensitivity to the DHS Compliance Program. DHS has adopted the following policy elements to further promote accurate coding:

- DHS shall follow recognized guidelines for accurate coding approved by the American Hospital Association, American Medical Association, American Health Information Management Association, Centers for Medicare and Medicaid Services and the National Corporation for Health Statistics.
 - DHS shall use the current codes, including those established pursuant to the International Classification of Diseases, (ICD Codes) as periodically issued by the United State Department of Health, the Physicians' Current Procedural Terminology (CPT Codes) as periodically issued by the American Medical Association, and the Healthcare Common Procedure Coding System (HCPCS) as periodically issued by the Centers for Medicare and Medicaid Services.
 - All codes reported for claim and billing purposes require supporting documentation. DHS coding and billing personnel and contractors should not assume a particular code applies to certain services rendered, but rather should verify the accuracy of all codes used.
 - Employees or contractors shall use the code that most accurately reflects the goods, services or diagnosis involved and shall not assign a higher code than is warranted in order to enhance reimbursement nor shall employees/contractors under code the services provided.
 - DHS shall monitor the use of all computer software used in coding and billing to determine whether such software is being properly maintained and effectively and appropriately used.
 - Coding and HIM personnel shall regularly review medical record documentation to support the Diagnosis Related Group (DRG),
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APPROVED BY:

EFFECTIVE DATE: May 1, 2004

SUPERSEDES:

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evaluation and management (E/M) codes and other assigned codes to identify potential coding accuracy issues.

- Feedback shall be provided regularly to the appropriate health care providers on DRG, E/M and other documentation issues that effect coding for maximum reimbursement and compliance.
- DHS coding personnel and contractors shall report concerns, if any, regarding coding practices.
- Supervisors shall conduct meetings for coding staff on a regular basis to discuss regulatory updates, Office of Statewide Health Planning and Development (OSHPD) coding errors and directives, coding updates, invalid codes rejected by billing, and periodic review results. Records of those in attendance at such meetings shall be kept by DHS.
- DHS coding and contract staff shall comply with all Health Insurance Portability and Accountability Act (HIPAA) guidelines and DHS policies and procedures regarding confidentiality of health information used in the coding process.
- Coding staff shall use current reference material (e.g., coding clinic, physician desk reference, medical dictionaries, etc.) required to assign accurate codes.
- DHS shall not provide financial incentives to employees or contractors to improperly code claims.

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