DOCUMENT TITLE: Inpatient and Outpatient Facility and Professional Coding Compliance Policy	SYSTEM POLICY AND PROCEDURE MANUAL
POLICY #: 800.49	**CATEGORY:** Compliance & Ethics
System Approval Date: 07/22/2025❖ **Site Implementation Date:** 07/22/2025❖	**Effective Date:** 11/2012 **Last Reviewed/Approved:** 02/2025
Prepared by: Office of Corporate Compliance	**Notations:**

GENERAL STATEMENT of PURPOSE

The purpose of this document is to affirm the commitment of Northwell Health to coding practices that are consistent with the ICD-10-CM and ICD-10-PCS Official Guidelines for Coding and Reporting (the Official Coding Guidelines), advance the prevention of fraud and abuse, and further the mission of providing quality care to our patients. Northwell Health is dedicated to providing health information that is complete and accurate and that reflects reasonable and necessary services performed by appropriately licensed medical professionals.

POLICY

It is the policy of Northwell Health that Northwell Health entities must follow the most current and relevant official guidelines for coding and reporting diagnoses and procedures published in the Official Coding Guidelines and, where appropriate, the relevant guidelines published in the American Hospital Association (AHA) Coding Clinic for ICD-10-CM, and ICD-10 PCS (the AHA Coding Clinic), American Medical Association (AMA) for Current Procedural Terminology (CPT) and Centers for Medicare and Medicaid Services (CMS) Healthcare Common Procedure Coding System (HCPCS). Diagnoses and procedures will be coded utilizing the International Classification of Diseases, Ninth and Tenth Revision, Clinical Modification (ICD-10-CM & PCS), and CPT and HCPCS or other classification systems that may be required or updated thereafter (such as DSM V for classification of psychiatric patients).

SCOPE

This policy applies to all Northwell Health employees, as well as medical staff, volunteers, students, trainees, physician office staff, contractors, trustees and other persons performing work for or at Northwell Health; faculty and students of the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell or the Hofstra Northwell School of Nursing and Physician Assistant Studies

conducting research on behalf of the Zucker School of Medicine on or at any Northwell Health facility; and any other Affected Individual.

DEFINITIONS

Affected Individuals: "Affected Individuals" is defined as all persons who are affected by Northwell Health's risk areas including, but not limited to, Northwell Health's employees, the chief executive and other senior administrators, managers, medical staff members, contractors, agents, subcontractors, independent contractors, and governing body and corporate officers.

ICD-10-CM & ICD-10-PCS Official Guidelines for Coding and Reporting (the Official Coding Guidelines): are a set of rules that have been developed and approved by the four Cooperating Parties to accompany and complement the official conventions and instructions provided within the ICD-10-CM & ICD-10-PCS itself. These guidelines are based on the coding and sequencing instructions in ICD-10-CM for Hospitals and the ICD-10-PCS coding books, but provide additional instruction. Adherence to these guidelines when assigning ICD-10-CM & ICD-10-PCS, diagnoses and procedure codes is required under the Health Insurance Portability and Accountability Act. The four Cooperating Parties are the AHA, the American Health Information Management Association (AHIMA), the Centers for Medicare and Medicaid Services (CMS), and the National Center for Health Statistics (NCHS).

AHA Coding Clinic for ICD-10-CM & PCS (the AHA Coding Clinic): provides supplementary advice to the Official Coding Guidelines. It is approved by the four Cooperating Parties.

Current Procedural Terminology (CPT): is a set of codes, descriptions and guidelines intended to describe procedures and services performed by physicians and other health care providers. Each procedure or service is identified with a five-digit code.

Health Care Procedure Coding System (HCPCS): is the standard for hospital reporting of outpatient procedures and physician reporting.

CPT Assistant: allows users to access archived issues of coding-related newsletters issued by the American Medical Association (AMA) from 1990 onward to help answer daily coding questions, stay apprised of changes and trends, train staff and validate coding to external sources.

Government Healthcare Programs are defined as any healthcare program so defined under 42 U.S.C. § 1320a-7b(f) or any other federal, state or locally funded healthcare program, including, but not limited to, Medicare fee-for-service ("FFS"), Medicaid FFS, managed Medicare/Medicaid, TRICARE, CHAMPVA or the Children's Health Insurance Program.

Overpayment means the amount of money Northwell Health has received in excess of the amount due and payable under any Government Healthcare Program requirements, including but not limited to applicable statutes, regulations, Medicare, Medicaid or other federal or state healthcare program payment manuals, Medicare fiscal intermediary or carrier Local Coverage Decisions, and the National Correct Coding Initiative. Overpayments do not include payments from Government Healthcare Programs that, in a timely manner, are repaid, voided, canceled, or otherwise reversed through routine claims reconciliation.

PROCEDURE

CODING RESOURCES

1. All health care providers and plans must utilize the Healthcare Common Procedure Coding System (HCPCS) as released by the federal Centers for Medicare and Medicaid Services (CMS).

2. HCPCS and ICD-10 codes are not Medicaid specific. Providers must use the current code set when billing any health care payer.

3. Coding resources are available to the appropriate coding staff, including the following: the Official Coding Guidelines, the AHA Coding Clinic, CPT Assistant and updated encoder software, including the appropriate version of all DRGs, including MS-DRG, APR-DRG and the APC grouper software, which includes CPT-4 and National Correct Coding Initiative (NCCI) edits. Updated ICD-10-CM & PCS, CPT-4, and HCPCS Level II resources are used by all coding professionals.
    a. Other available coding resources include:
        i. HCPCS Level I (CPT-4) procedure codes for practitioners and laboratories can be purchased in hard copy or electronic format through many publishing houses.
        ii. HCPCS Level II (Alpha-Numeric) codes for other medical services are available electronically at: http://www.cms.hhs.gov/HCPCSReleaseCodeSets/
        iii. ICD-10 Diagnosis and Procedure Codes are available electronically at:
            1. Diagnosis Codes: 2025 ICD-10-CM | CMS
            2. Procedure Codes: 2025 ICD-10-PCS | CMS

4. All Northwell Health facility Coding Departments must maintain a minimum set of required coding references and tools and make them available to coding staff to facilitate complete, consistent, and accurate coding. Coding Managers must review these materials on an annual basis and, if necessary, update them.

5. Northwell Health's Corporate Finance Department will maintain, in writing, documentation of coding guidelines or coding requirements and will make such documentation available to coding staff.

CODE ASSIGNMENT RESPONSIBILITY

6. For Part A records and outpatient records, Revenue Cycle coding staff is responsible for the assignment of the correct ICD-10-CM , ICD-10-PCS codes and CPT (when required) codes based on the source documentation in the medical record in accordance with the Official Coding Guidelines. For Part B records, providers are responsible for the assignment of the correct ICD-10-CM codes and CPT codes (when appropriate) based on the source documentation in the medical record in accordance with the Official Coding Guidelines.

PRESENT ON ADMISSION "POA"

7. Coders must assign the Present on Admission (POA) indicators to all diagnoses that have been coded, subsequent to the assignment of the ICD-10-CM codes. The POA regulation applies only to inpatient records. Outpatient claims are excluded from submitting POA indicators.

EMERGENCY SERVICES FACILITY CODING GUIDELINES

8. At this point, there is no national standard for facility assignment of E/M code levels for outpatient services in clinics and the Emergency Department (ED). CMS has stated that each facility may utilize its own unique system for assignment of E/M levels. Facility billing guidelines should be designed to reasonably relate the intensity of facility services to the different levels of effort represented by the codes. Coding guidelines should be based on facility resources, should be clear to facilitate accurate payments, should only require documentation that is clinically necessary for patient care and should not facilitate up coding.

   Currently, Northwell Health utilizes a modified American College of Emergency Physicians ("ACEP") facility coding model to assign E/M levels.

Emergency Services Professional Coding Guidelines

9. For most E/M visits choose the visit level based on the level of Medical Decision Making (MDM) or the amount of time spent with the patient. For ED visits only choose MDM and for critical care, only select time to bill the visit.

   a. For all E/M visits, your history and physical exam must meet the descriptions in the code descriptors, but they do not affect visit level selection.
   b. When you use time to select the visit level, you must provide services for the full time.

If you use time to support billing the E/M visit, document in the medical record with the time spent with patient using a start and stop time or the total time.

CLINICAL DOCUMENTATION CLARIFICATION

10. The appropriate providers should be queried in situations including, but not limited to, the following: when there are clinical indicators of an undocumented condition in the medical record; when ambiguous or conflicting documentation is present in the medical record; when documentation is unclear for POA indicator assignment; when there is a need to clarify a potential cause and effect relationship; and when there is a need for further specificity or information regarding the degree of severity of a documented condition. For more guidance, please consult applicable departmental policies. Standard protocols for the addition of documentation to a record must be followed, in accordance with Northwell Health medical record completion requirements, the Joint Commission on Accreditation of Healthcare Organizations and applicable state law.

PROCESSING REJECTIONS FOR BOTH INPATIENT AND OUTPATIENT CLAIMS

11. If a claim is rejected from Northwell Health's billing system because of codes assigned during the medical record abstraction, the relevant auditor or designee must review the claim and resubmit it into the hospital's billing system. If the initial code assignment did not reflect the actual services, auditor or designee may review and assign the code(s) based on the supporting documentation and resubmit the claim. Codes may not be assigned, modified or excluded solely for the purpose of reimbursement or avoiding reduced payment.

MONITORING TO DETECT AND PREVENT CODING DISCREPANCIES

12. Revenue Cycle will perform periodic monitoring to ensure the accuracy of clinical documentation and code assignments. This monitoring will be designed to provide reliable assessments of current coding practice and to encompass both inpatient and outpatient services. Monitoring must be implemented to track key indicators of patient mix and coding practices.

13. The Auditor or designee will be responsible for designing and conducting monthly chart reviews for coding quality and accuracy. All cases in which coding revisions result in a lower or higher weighted DRG assignment must be identified and correctly re-billed and/or refunded to the payor, as applicable, within 60 days of identification. The Auditor or designee must maintain written documentation of all such revisions.

14. Whenever a Revenue Cycle coding discrepancy is identified (from any internal or external source), Revenue Cycle and in collaboration with compliance if applicable, must undertake the appropriate investigation to determine the root cause(s) of the variance and immediately work to correct any adverse result of the variance.

15. Any employee must report identification of material trends or variations to the Office of Corporate Compliance upon identification. The Office of Corporate Compliance will investigate such material trends or variations and, if applicable, work with the appropriate department(s) to resolve the issue. Such steps include, but are not limited to, revising existing policies, changing staffing, remediating claims made in error and facilitating education and training sessions.

16. All Overpayments must be refunded and appropriately reported to the applicable federal and state payors within 60 days after identification or within such additional time period as may be agreed to by the payor. Any Overpayment will be handled in accordance with Northwell Health's internal procedures and shall be reported and returned in accordance with applicable payor/agency requirements. The corrective action will include correcting the underlying cause of the Overpayment and taking remedial action to prevent the Overpayment from recurring. See *Northwell Health Policy #800.07- Compliance with Government Funded Healthcare Claims and Cost Reporting Requirements*.

17. Professional fee monitoring is performed annually for billing by employed providers (including PAs and NPs). Reviews are performed pre-billing. Any discrepancies will be revised and billed appropriately.

AUDITING TO DETECT AND PREVENT CODING DISCREPANCIES

18. The Auditor Manager provides feedback to the coding staff on coding errors. The Auditor Manager provides follow-up education, references to the applicable AHA about correct coding of these conditions, where appropriate, and the process to be used to correct the deficiency. Each coding professional will comply with mandatory annual coding education.

19. The Office of Corporate Compliance performs audits or, if appropriate, arranges for external audits of the coding processes on a regular basis to monitor compliance with coding policies and all applicable federal and state laws, as well as to identify and monitor risk areas. At the conclusion of each such audit, the Office of Corporate Compliance will investigate the root causes of any coding discrepancies, discuss the audit and investigation findings with the appropriate department(s) and, if necessary, work with the appropriate departments to resolve any identified issues. Such steps include, but are not limited to, revising existing policies, changing staffing, remediating claims made in error and facilitating education and training sessions regarding trends identified, if any.

20. The results of all internal and external audits, or audits conducted by the State or Federal government shall be reviewed for risk areas that can be included in updates to Northwell Health's Compliance Program and Compliance Work Plan.

CODER AND FACILITY/CORPORATE DEPARTMENT CODING TRAINING REQUIREMENTS

21. Employees are expected to share the responsibility for upholding company standards as well as coding standards. All coders are expected to take a skill competency test prior to employment. Upon employment and on a regular basis thereafter, all coding staff must complete additional education on applicable coding topics and meet coding continuing education requirements.

22. All coders contracted with Northwell Health to provide coding services must follow the coding compliance guidelines and meet all applicable Northwell Health coding education and training requirements.

REPORTING AND ENFORCEMENT

- All violations of this policy shall be reported to the appropriate manager/supervisor/director or to the Office of Corporate Compliance (516-465-8097) for appropriate resolution of the matter. The HelpLine is available 24 hours a day, seven days a week at (800) 894-3226 or online at www.northwell.ethicspoint.com, is accessible to all Affected Individuals and allows for questions regarding compliance issues to be asked and for compliance issues to be reported. Reports of potential fraud, waste and abuse and compliance issues also may be made directly to the Chief Corporate Compliance Officer or designee in person, in writing, via email, mobile device via a QR code, or by telephone. All reports received by the Office of Corporate Compliance are investigated and resolved to the fullest extent possible. The confidentiality of persons reporting compliance issues shall be maintained unless the matter is subject to a disciplinary proceeding, referred to, or under investigation by Medicaid Fraud Control Unit, U.S. Department of Health and Human Services (HHS), Office for Civil Rights, HHS, Office of Inspector General, Office of Medicaid Inspector General or law enforcement, or disclosure is required during a legal

proceeding, and such persons shall be protected under Northwell Health's policy for non-intimidation and non-retaliation. Violations of this policy will be subject to disciplinary action as outlined in the Human Resources Policy and Procedure Manual and *Northwell Health Policy #800.73 – Compliance Program Disciplinary Standards for Non-Employees*.

REFERENCES to REGULATIONS and/or OTHER RELATED POLICIES

- AHA Coding Clinic for ICD-10-CM and ICD-10-PCS
- *AHIMA Standards of Ethical Coding*, American Health Information Management Association (AHIMA) House of Delegates, Chicago, Illinois, September 2008
- American College of Emergency Physicians (ED Facility Coding Guidelines), *available at* http://www.acep.org/content.aspx?id =30428
- CDI Toolkit, *American Health Information Management Association (AHIMA), Chicago,2016"*
- "Guidelines for Achieving a Compliant Query Practice (2019 Update)"
- "AHIMA Query Tool Kit AHIMA, 233 N. Michigan Ave., 21st Fl., Chicago, IL, 2017"
- Medicare Claims Processing Manual, CMS Pub. 100-04, Transmittal 1240 (POA)
- *Developing a Coding Compliance Policy Document,* American Health Information Management Association (AHIMA) Coding Practice Team, Chicago, Illinois, *Journal of AHIMA 72,*no. 7 (Jul.2001): 88A-C
- *Guidance for Clinical Documentation Improvement Programs,* American Health Information Management Association (AHIMA), Chicago, Illinois, May 2010
- ICD-10-CM for Hospitals
- *Managing an Effective Query Process,* American Health Information Management Association (AHIMA), Chicago, Illinois, October 2008
- Medicare Claims Processing Manual, CMS Pub. 100-04, Chapter 3 – Inpatient Hospital Billing
- Northwell Health Policy #800.07 – Compliance with Government Funded Healthcare Claims and Cost Reporting Requirements
- Northwell Health Policy #800.73 – Compliance Program Disciplinary Standards for Non-Employees
- Northwell Health Human Resources Policy and Procedure Manual, Part 5-3 – Workforce Conduct – Progressive Discipline
- Physician Documentation Query Guidelines (Inpatient), Finance, Clinical Documentation Management, Health Information Management
- *Practice Brief on Data Quality,* American Health Information Management Association (AHIMA), Chicago, Illinois, July 2003
- NYS OMIG Protocols - https://omig.ny.gov/audit/audit-protocols

- DOH Medicaid Program: Improper Medicaid Payments for Claims Not in Compliance With Ordering, Prescribing, Referring and Attending Requirements, Report 2019-S-2/August 2021 https://www.osc.state.ny.us/files/state-agencies/audits/pdf/sga-2021-19s2.pdf
- Collaborative Coding and Clinical Documentation Interdisciplinary Committee guidance directives, July 2020 to present.
- New York State Billing Guidelines – Clinic; eMedNY; Version 2015-01, Published: 10/01/2015. https://www.emedny.org/ProviderManuals/Clinic/PDFS/Clinic-Billing.pdf
- MLN906764_Evaluation_and_Management_Services_Guide_2023-08 (cms.gov)
- OMIG Compliance Program Guidance, Title 18 NYCRR § 521 – Fraud, Waste and Abuse Prevention (March 28, 2023)
- State of Connecticut Department Social Services – Audit Protocols (Alcohol and drug abuse centers audit protocols, behavioral health clinicians audit protocols, birth to three audit protocol, dental audit protocols, Department of Developmental Services Waiver audit protocols, homecare audit protocols, home health audit protocols, medical equipment audit protocols, outpatient hospital audit protocols, pharmacy audit protocols, physician audit protocols, transportation audit protocols, long term care audit process) available at: https://portal.ct.gov/dss/quality-assurance/audit-protocols?language=en_US

CLINICAL REFERENCES/PROFESSIONAL SOCIETY GUIDELINES
N/A

ATTACHMENTS
N/A

FORMS
N/A

APPROVAL:	
Service Line/Department Review	07/10/2025
Northwell Health Policy Committee	07/22/2025❖
System PICG/Clinical Operations Committee	07/22/2025❖

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