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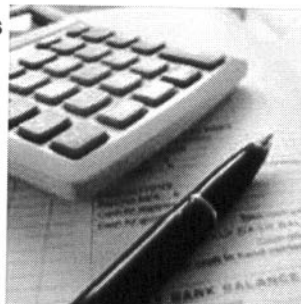
Audit Commission finds payment coding errors

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Inaccurate payment by results coding by hospitals has led to primary care trusts being overcharged by as much as 6 per cent, the Audit Commission has found.

The results from the commission's first systematic check follow PCT concerns that some providers manipulate the codes to classify activity as eligible for a higher charge.

The commission examined a sample of payment by results coding by 17 trusts - all but one in the East of England region - for the first quarter of 2007-08.



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The results show miscoding led to inaccurate bills ranging from 2 per cent undercharging at one trust to 6 per cent overcharging at another.

"For secondary diagnoses, incorrect codes were as high as 51 per cent at one trust"

The individual results are anonymised but the commission is consulting on naming trusts by the time it publishes its next report on a further 47 hospital trusts at the end of this month.

Audit Commission head of payment by results assurance Peter Saunders said he hoped that would "help drive improvements in data quality".

He added that the commission wanted trusts to implement the recommended improvements to their coding by the time it examines their procedures again the following year.

The commission has now sampled the accuracy of the coding at two thirds of NHS and foundation trusts.

Mr Saunders said that although the errors found generally related to flawed policies or procedures rather than individual coder error, the commission had yet to find any evidence of deliberate "upcoding" to overcharge PCTs.

The codes with the highest error rate were for secondary diagnoses, where incorrect codes were as high as 51 per cent at one trust, and secondary procedures, where inaccuracies were as high as 68 per cent.

Inaccurate healthcare resource group coding has the biggest impact on the bills charged to PCTs.

Five hospitals out of the 17 had miscoded more than 10 per cent of these codes.

However, Mr Saunders said the sample size was too small to make generalisations across the NHS or detect particular patterns.

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Story from **HSJ**:

http://www.hsj.co.uk/news/2008/01/pbr_coding_errors_lead_to_under_and_over_charging.html

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