
The
Coding Manager's
HANDBOOK

Rose T. Dunn, MBA, RHIA, CPA, FACHE

+CPro

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About the Author

Rose T. Dunn, MBA, RHIA, CPA, FACHE, is a past president of the American Health Information Management Association (AHIMA) and recipient of its 1997 Distinguished Member and 2008 Legacy Awards. She is chief operating officer of First Class Solutions, Inc., a health information management (HIM) consulting firm based in St. Louis.

Dunn began her career as director of medical records at Barnes Hospital, a 1,200-bed teaching hospital in St. Louis that is now the flagship hospital of the BJC HealthCare system. Early in her career at Barnes, she became vice president and was responsible for more than 1,600 employees and new business development. She later joined Metropolitan Life Insurance Company, where she served as assistant vice president in MetLife's HMO subsidiary. She also served as chief financial officer of a dual hospital system in Illinois.

Her consulting firm, First Class Solutions, focuses primarily on HIM-related services, including coding support, coding audits, and operations improvement. Dunn assists clients with their operational, revenue cycle, compliance, and strategic planning needs. She also serves as an expert witness in release of information (ROI) litigation and advises organizations with respect to ROI matters.

Dunn is active in several professional associations, including the American Institute of Certified Public Accountants, American College of Healthcare Executives (ACHE), Healthcare Financial Management Association (HFMA), and AHIMA. She holds fellowship status in ACHE, AHIMA, and HFMA and is certified by AHIMA in healthcare privacy and security.

Dunn's previously published books include *Coder Productivity: Tapping Your Team's Talents to Improve Quality and Reduce Accounts Receivable* and *More with Less: Best Practices for HIM Directors*, 2nd Edition, both published by HCPro, Inc. She is coauthor of *The Practical Guide to Release of Information*, also published by HCPro. She also is the author of *Finance Principles for the Health Information Manager*, published by First Class Solutions, Inc., and *Haimann's Healthcare Management*, 8th Edition, published by Health Administration Press.

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Rose T. Dunn

Introduction

The challenges facing coding today require fine-tuned managerial skills. Coding managers must keep pace with breakthroughs in medical science, heightened scrutiny by internal and external auditors, and changes in coding classifications. At the same time, coding managers must be able to recruit and develop talented staff members to perform coding functions with accuracy and timeliness.

Managers must bring and hold together the human resources, professional expertise, and technology. They also must collaborate with others within and beyond health information management to ensure timely coding. These tasks must be accomplished within department budgetary constraints. Therefore, coding managers must understand coding's role in the revenue cycle, coding rules and practices, and regional labor demands.

Coding managers are responsible for motivating a multigenerational team to achieve organization and department goals as determined by senior administration. They must understand how the coding function can contribute to the organization's goals, translate these goals into understandable and achievable concepts for team members, and gain their buy-in to ensure that these goals are achieved.

Many coding leadership positions are filled by individuals who possess excellent technical skills but have limited or no formal management education or training. *The Coding Manager's Handbook* is intended for these individuals. Its approach is introductory and it assumes no prior knowledge of supervision or management concepts. Because the intent of this book is to assist coding managers with supervisory tasks, it serves as a reference to individuals already in managerial positions.

I have chosen to explore the functions of management—planning, organizing, staffing, and motivating—to introduce coding managers to their responsibilities. I have included chapters that discuss the sources of coding policy, explain how to develop performance expectations, address the responsibility to monitor performance, describe the role of coding in the revenue cycle, and examine typical daily activities that coding managers may encounter. This book also includes numerous exhibits, examples, and tools that explain the important topics contained herein. An online Appendix includes numerous articles and ancillary information referenced throughout the book. The Appendix at the

end of this book provides a complete list of these supplementary materials and instructions for accessing them via the Internet.

I'm glad that this book has found a welcome home on your bookshelf, and I hope that it serves you well.

As always, I welcome your comments and critiques so we can make the second edition an even better and more valuable resource.

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Introduction to Management

Objective

After reading this chapter, you will be able to:

- ▶ Define management
- ▶ Discuss the five functions of management
- ▶ Recognize some of the challenges that you will face as you step into a management role

What Is Management?

As a new manager, you may be wondering what is expected of you. Management is the process of getting things done through others. Management functions include:

- Deciding what needs to be done
- Planning the work to be done
- Deciding how many individuals and what resources are necessary to do what needs to be done
- Deciding who will do what needs to be done
- Ensuring that staff members assigned to the project complete the work within budget limitations and on schedule

Healthcare managers often are promoted from within. You should be proud to have been identified as someone who can lead others. Likely, you were an exceptional coding professional—an individual with coding-specific education, credentials, and an excellent work ethic. However, you may lack any formal management education. Transitioning from a subordinate to supervisory role can be anxiety inducing. This book provides the necessary guidance for your new role as coding manager or supervisor.

New Manager Challenges

New managers face a variety of challenges.

First, you are no longer a peer of individuals with whom you work closely. You are now a supervisor with responsibility for assigning work and ensuring that the members of your team complete it accurately and on a timely basis.

Second, you probably have a new, larger workspace that affords greater privacy for your conversations and meetings with others. However, this also separates you from your former coworkers.

Third, much is new—staff members who report to you, system access rights, and responsibilities that replace coding from your daily agenda. You may miss performing tasks that you enjoyed, but you are developing new skills in your new role.

Fourth, as a member of various committees and task forces, you communicate with other managers whose departments rely on your expertise and your team's coding services.

Finally, you are forming new friendships with colleagues who support you in your new role. You evaluate your career aspirations, balance your new responsibilities with family and social obligations, and do what is necessary to meet the expectations of your new supervisor—quite likely the director of health information management.

Any or all of this can occur during your first day on the job and it can leave you wondering whether you made the right decision. Worry not—remember your first day as a coder. That day brought comparable challenges, and you successfully rose to the occasion. You will do so again in your new role as coding manager.

What Does a Manager Do?

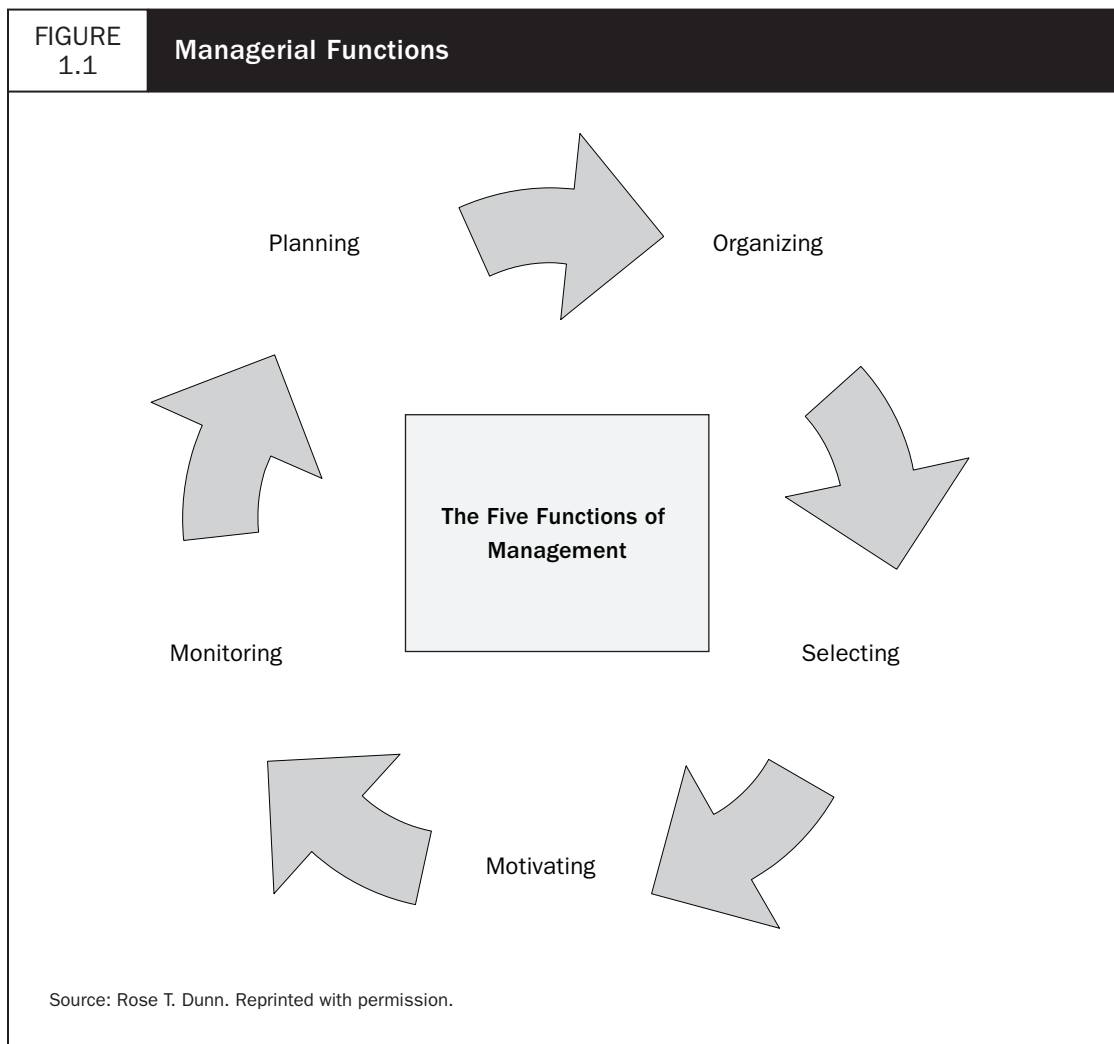
All managers perform essentially the same functions. A manager's success depends on how well he or she performs each of those functions.

You, as an individual, have been performing management functions in your daily activities. These management functions include planning, organizing, selecting, motivating,

and monitoring the resources assigned to you. Refer to Figure 1.1 for a diagram that illustrates these management functions.

Now you must expand the scope of these functions to include staff members who now report to you and the function for which you are responsible. As a manager, you will have authority to:

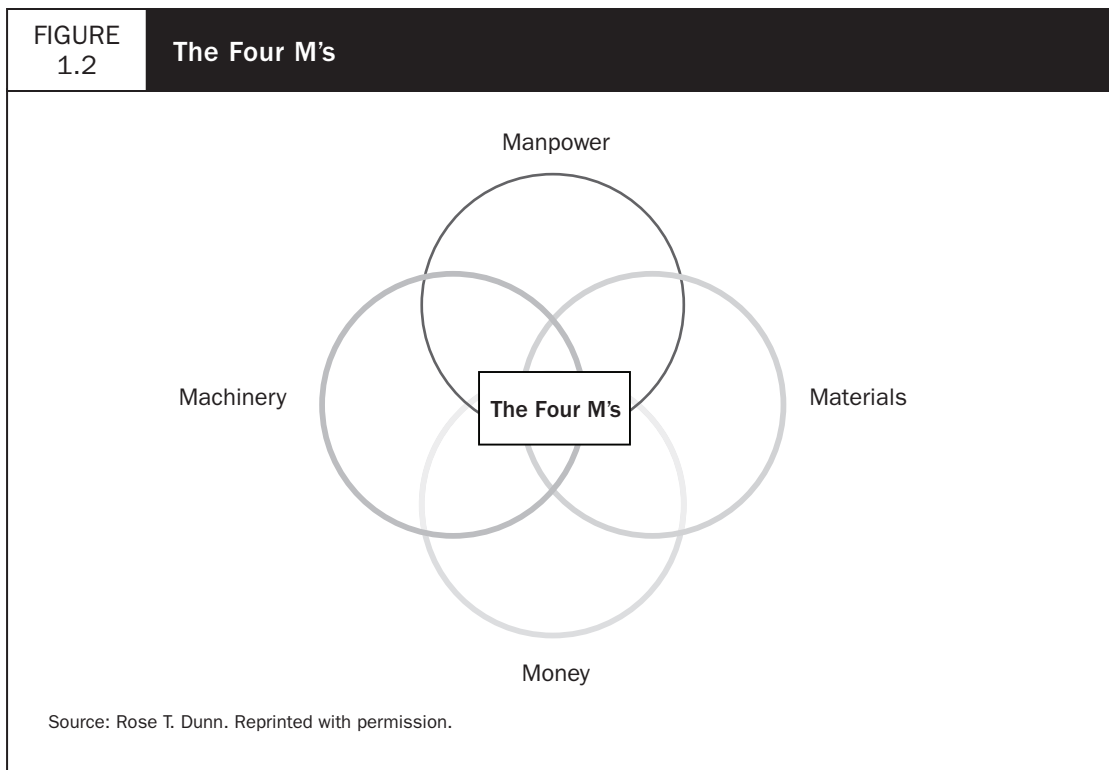
- Direct staff members
- Order and use supplies
- Identify, select, and/or recommend equipment for purchase or lease
- Establish funds to pay for these items



You will be managing the four M's:

- Manpower—your staff (labor)
- Materials—your supplies and books
- Machinery—your equipment, furnishings, and software applications
- Money—your budget

Refer to Figure 1.2 for an illustration of the four M's.



Planning

Planning is the first managerial function. For you, it is the process of establishing goals for the coding function and defining how to achieve those goals with the four M's that have been allocated to you. These goals must support the goals of the department, which in turn support the goals of the organization. Remember that you have been planning much of your life—now you will expand the scope of this task to include your staff, the technology and equipment you use, and the materials you and your team consume, within any budgetary constraints.

Your planning horizon will be relatively short; you likely will not be planning for the next five to 10 years, but it is possible that you will plan for the short term and possibly for the next three to five years. For example, consider ICD-10 (International Classification of Diseases, 10th Edition) preparation. This task will require development of a plan that is several years in duration.

In contrast, short-term planning includes considering how to fill the gap created when one of your coders is on maternity leave. Another example of a short-term plan might be for next week's on-site Medicaid Integrity Contractor (MIC) audit for which you must provide 180 records for review. Your plan for the MIC audit may identify the need for one clerk, one coder, and access to a copy machine and a conference room. You also may anticipate that this effort will remove your coder and you from the coding function for at least six shifts. You may decide that one or two contract coders are necessary.

Organizing

After you identify necessary resources, you will commence the managerial function of organizing. This means assembling your resources in a manner that ensures that you achieve your goals efficiently and effectively. For example, in anticipation of the previously described hypothetical MIC audit, you might decide that your clerk will:

- Search for each of the records in your information system to determine their location in the department
- Retrieve records still in a paper format
- Print records that are on microfilm
- Queue electronically stored records

Your coder will be responsible for reviewing each of the records to ensure that they contain everything they should contain. Because your staff codes from incomplete records, you may review the coding to verify that there are no significant errors or omissions. You also will identify a place where auditors can conduct their reviews without interruption. Your organizing efforts have positioned appropriate staff members to perform certain tasks within a specific time frame.

Selecting

Now you must select the right clerk and the right coder to complete the assignments you deem necessary. The selection (or staffing) process includes:

- Evaluating potential candidates
- Enlisting their support of your plan
- Educating them with respect to relevant issues
- Putting your plan into action

Of course, if you are recruiting a clerk from another manager's or supervisor's team, you will need to obtain that individual's permission to use his or her staff for your project.

Motivating

Motivating is the process of encouraging employees to do what is expected of them within established time frames, enlisting their support, and eliciting their promise to accept the challenge and/or assignments you have given them. You can have more staff members than you ever imagined you'd need, but if they are unwilling to do what you ask, you will not meet your expectations. Staff members will want to know what you expect of them, and they will accept the responsibilities you give them if they consider your expectations:

- Realistic
- Appropriate
- Ethical
- Consistent with the mission of the department

Once accepted, however, you cannot walk away and assume that they will complete their assignments.

Monitoring

As manager, you ultimately are responsible for having records ready for a MIC audit, regardless of assignments delegated to your project team members. You are responsible for overseeing their work, ensuring that they complete it on time and in an appropriate manner. For example, is one clerk sufficient to retrieve all records? Many records are on microfilm, and printing from the microfilm reader printer might take too long. You

might need two clerks for this project, one to work days and one to work nights. If the coder finds coding errors, you may need to develop a plan for addressing this issue with the MIC auditors and for avoiding a recurrence when the audit is complete.

Monitoring is a control activity—it is continuous and triggered by variations.

The five managerial functions overlap, so don't think of them as separate activities. They complement each other and are applicable for anyone in a supervisory or managerial role. Subsequent chapters discuss these functions in greater detail.