DEPARTMENT: Regulatory Compliance Support  
POLICY DESCRIPTION: Prohibition of Contingency-Based Coding Arrangements

PAGE: 1 of 2  
REPLACES POLICY DATED: 5/97, 6/3/98, 12/15/99, 8/1/00, 6/1/02 (HIM.COD.009), 3/6/06, 5/15/12, 12/1/13

EFFECTIVE DATE: January 1, 2016  
REFERENCE NUMBER: REGS.COD.009

APPROVED BY: Ethics and Compliance Policy Committee

SCOPE: All Company personnel responsible for performing, supervising or monitoring coding of inpatient and outpatient services including, but not limited to:

- Administration
- Registration/Admitting/Scheduling
- Facility Health Information Management
- Corporate Regulatory Compliance Support
- Ethics & Compliance Officers
- Case Management/Quality Resource Management
- Laboratory Department
- Health Information Management Service Centers (HSC)
- Parallon Business Performance Group
- Parallon Workforce Solutions

Emergency Department
Ancillary Departments
Radiology Department
Service Centers
Corporate Legal
Human Resources

PURPOSE: To ensure that all external coding consulting companies and personnel are not retained via a contingency-based contractual arrangement for the purpose of performing or auditing coding processes including auditing of Uniform Hospital Discharge Data Set (UHDDS) data, UB04/CMS 1500 data and other data directly or indirectly impacting coding, reimbursement and/or billing.

POLICY: Unless approved in writing by the SVP and Chief Ethics and Compliance Officer, contingency-based external coding consulting arrangements are not acceptable for use within the Company.

PROCEDURE:

1. External consulting arrangements that include “risk sharing” or a “percentage of dollars” identified during the performance or auditing of coding processes including related UHDDS data elements may not be entered into.

2. The facility/HSC must not have any contingency-based coding arrangements in place. In the event that a facility/HSC does have a contingency-based coding arrangement it must be terminated immediately.

3. Consult facility’s Legal Operations Counsel for advice on contract termination.

4. External consulting arrangements involving review of coding and other data elements should be based on either one of the following:
   a. Time required to review or audit for completeness, accuracy and consistency of coded and reported data.

10/2015
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<td>5.</td>
<td>Regulatory Compliance Support and/or Parallon Business Performance Group should be contacted prior to entering into new contracts with external coding consultants.</td>
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<td>6.</td>
<td>Facility’s/HSC Legal Operations Counsel should be contacted for review of new contracts with external coding consultants.</td>
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<td>7.</td>
<td>Regulatory Compliance Support, Parallon Business Performance Group and/or Legal will review and monitor external consulting relationship contracts.</td>
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<td>8.</td>
<td>The SVP and Chief Ethics and Compliance Officer may grant exceptions to this policy. Exceptions must be obtained prior to offering or accepting an agreement.</td>
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**REFERENCES:**

1. Coding Documentation for Inpatient Services Policy, [REGS.COD.001](#)
2. Coding Documentation for Outpatient Services Policy, [REGS.COD.002](#)
3. Query Documentation for Clinical Documentation Improvement (CDI) & Coding – Compliance Requirements, [REGS.DOC.002](#)
4. Coding Documentation for Rehabilitation Facilities/Units Policy, [REGS.COD.013](#)