finHealth | Simplify & Control Healthcare Costs

What Are Full Medical Records and Why Are They Critical?

“Medical Records” refer to the underlying physical documents that support each healthcare encounter and reimbursement. Outside of healthcare, any good or service acquired by an organization would be supported by physical documents such as a purchase order, a receiving report and an invoice. In verifying goods and services delivered, these documents would be referenced and reviewed prior to payment (either manually or electronically) to ensure that the proper price was charged, the goods and/or services were fully received, and the terms on the invoice were accurate. In a similar manner, these “Medical Records” represent the underlying support that treatment was administered, billed at the proper quantities and prices, and paid accurately based on the value delivered. Following is a list of what constitutes proper supporting documentation for a healthcare expenditure:

- **Itemized Bill** – detailed list of all line items that comprise the total billed charges;
- **History & Physical (H&P)** – details the circumstances leading up to the patient’s treatment, including the assessment and proposed treatment;
- **Perioperative / Operative Report** – documents all actions taken in the Operating Room, including duration of the procedure, a complete narrative of the surgery, and any medical supplies / devices used with quantities, manufacturer, serial numbers, labels, etc.;
- **Surgeons OP report** – includes specific feedback from the surgeon on the progress of the surgery, and any complications / changes versus the original plan & assessment; and,
- **Hospital Discharge Summary** – details the patient’s status upon discharge, as well as any recommendations for future treatment and / or lifestyle changes to accelerate recovery.

Once an individual reviews the supporting medical records (whether it be a physician, the payer, or a third party), the reviewer is able to discern whether errors have occurred in keying quantities or unit prices, a medical coding error was made, a treatment was not actually performed, confirm whether and how many devices were implanted in a patient, isolate if a line item was inadvertently billed twice, identify a poorly negotiated and non-competitive rate (perhaps due to a weak contracting structure), or that errors were made in transcribing the information from the medical records into the provider billing. While we do not directly question the medical necessity or clinical determination of the charges, we have on occasion identified these concerns in the past especially in situations where the professional charges do not correlate with the hospital billing. Without retrieving these records, neither the payer, ***fin*****Health** or you as the client can fully verify the authenticity of costs incurred by your health plan. Surprisingly, only a tiny percentage of claims are verified back to medical records across the national carriers (usually less than 1/10 of 1%), but rather the payer relies on a system of “trust” in the billing provider.