

PbR Data Assurance Framework 2007/08

Findings from the first year of the national
clinical coding audit programme



Health

Summary

August 2008

 **audit**
commission

Summary

This report contains the summary analysis from the Payment by Results (PbR) clinical coding audit programme undertaken at all acute NHS trusts in England in 2007-08. The auditing of in excess of 50,000 episodes, equating to approximately £73 million of expenditure under PbR, provides the first comprehensive national picture of the quality of data which underpins not only financial but clinical and commissioning information.

The results of the audits show that coding errors are having an impact on Healthcare Resource Group (HRG) assignment, and subsequently the accuracy of payments. An average HRG error of 9.4 per cent was identified, with a range across trusts from 0.3 per cent to 52 per cent. These errors contributed to a gross financial error of approximately £3.5 million, approximately 5 per cent of the price of the sample reviewed. In most cases, the net financial impact is close to zero, indicating no national trend in under- or over-charging or gaming. However, there is a number of cases where the net financial impact of errors was locally significant.

The most common issue which affected the accuracy of clinical coding was the quality of the source documentation. Other problems included the adequacy of trust coding arrangements and the level of clinician involvement. In particular, the audits demonstrated that training and development of coders had more of an impact on limiting the number errors than the number of coding staff. Lack of clarity in national guidance on identifying and coding co-morbidities and data definitions also contributed to error rates.

Foundation trusts (FTs) had marginally lower HRG error rates than non-FTs. However, higher error rates were encountered at specialist trusts. This may be due to inadequacies of the coding system describing specialist activity or lack of appropriate training.

Clinical coding error rates were higher than for HRGs, averaging 16.5 per cent across primary and secondary diagnosis and procedure coding. There is a strong correlation between the accuracy of primary coding and that of secondary coding.

The clinical coding errors identified are not only of importance to PbR, but also to other areas, such as activity planning, commissioning, and clinical audits. These findings, therefore, have implications for data quality more generally, including the development of quality measures outlined in the Darzi Review.

In addition, the Audit Commission has developed its benchmarking methodology into a powerful online tool called the National Benchmark which has been made available to the NHS at www.audit-commission.gov.uk/pbr.

Summary

Key action points for trusts

Trusts should:

- implement their audit action plans to improve their clinical coding;
- review and, where necessary, improve their source documentation to promote accurate coding and particularly ensure clinicians are engaged and involved in validating coding;
- invest in and develop their coding departments through professional training and development; and
- use the National Benchmarker regularly to review potential coding anomalies and areas for improvement.

Key action points for primary care trusts (PCTs)

PCTs should:

- monitor trusts' implementation of their audit action plans and subsequent improvement in clinical coding;
- use the National Benchmarker regularly to review potential coding anomalies and areas for improvement.

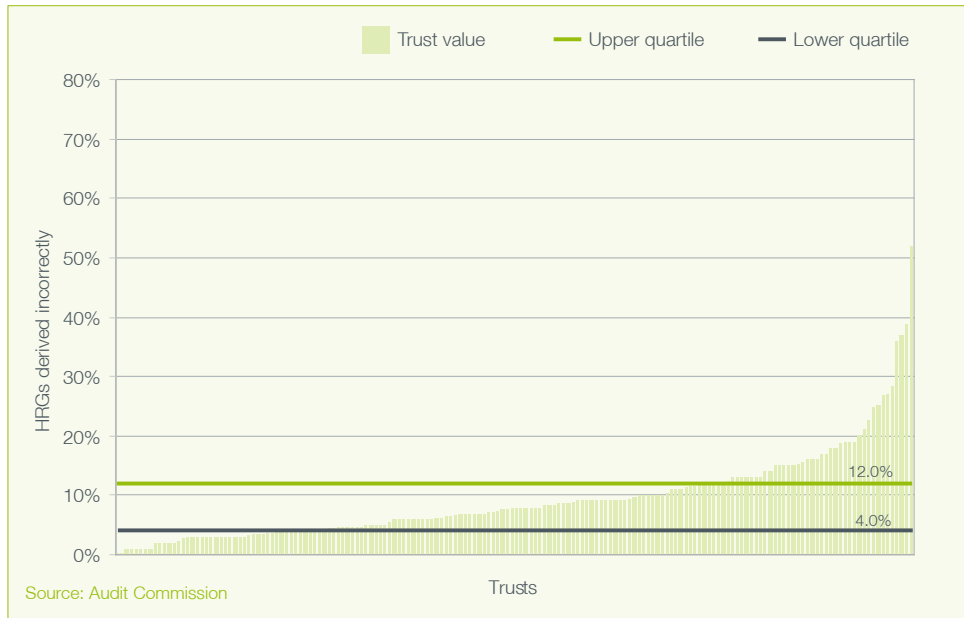
Key action points for the Department of Health (DH) and NHS Connecting for Health (NHS CfH)

The DH and NHS CfH should:

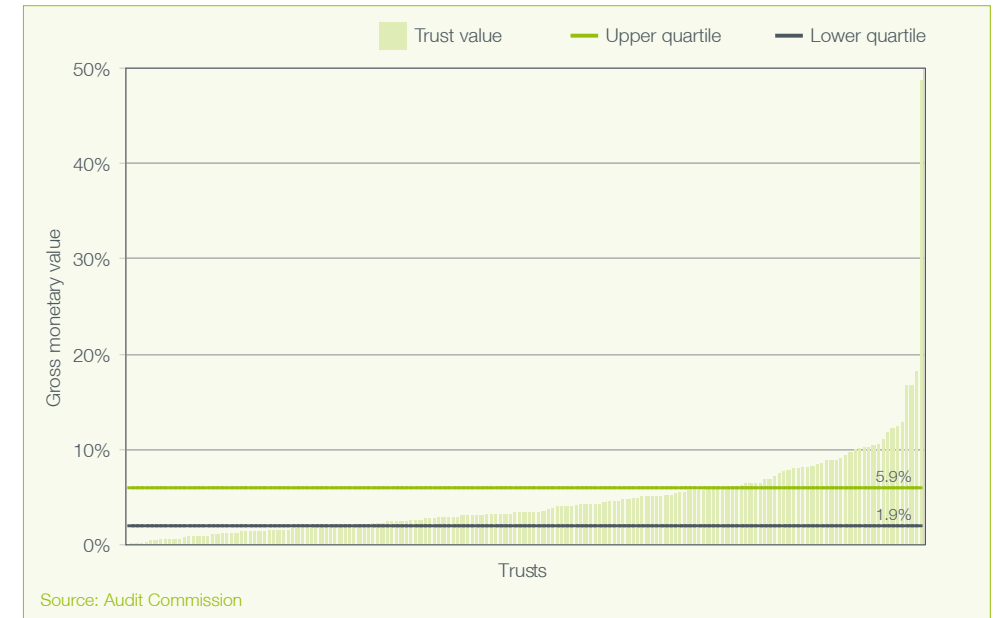
- review the coding systems and guidance for specialties, HRG chapters and HRGs which were identified as being prone to higher errors;
- clarify guidance on the identification and coding of co-morbidities;
- review the appropriateness of coding classifications for specialist activity to ensure they can accurately describe more complex activity accurately;
- continue to improve training and development programmes for clinical coders and clinical coding auditors; and
- introduce a wider data quality programme for NHS bodies to drive improvements in the standards of data and increase confidence in its more widespread use.

Summary

Nationally, we found a mean HRG error rate of 9.4 per cent but there was considerable local variation

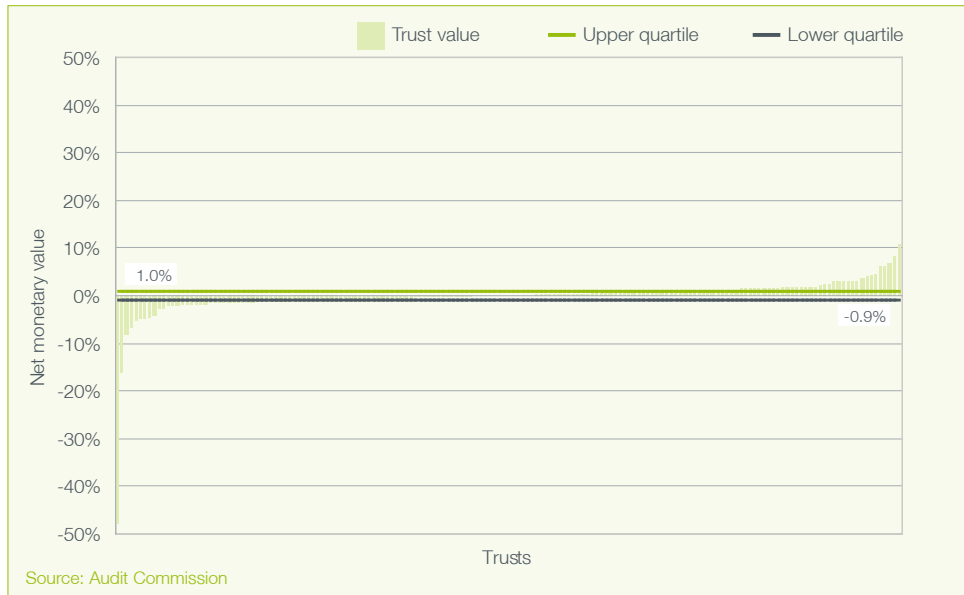


There was a total national gross financial error of £3.4m/5 per cent ...

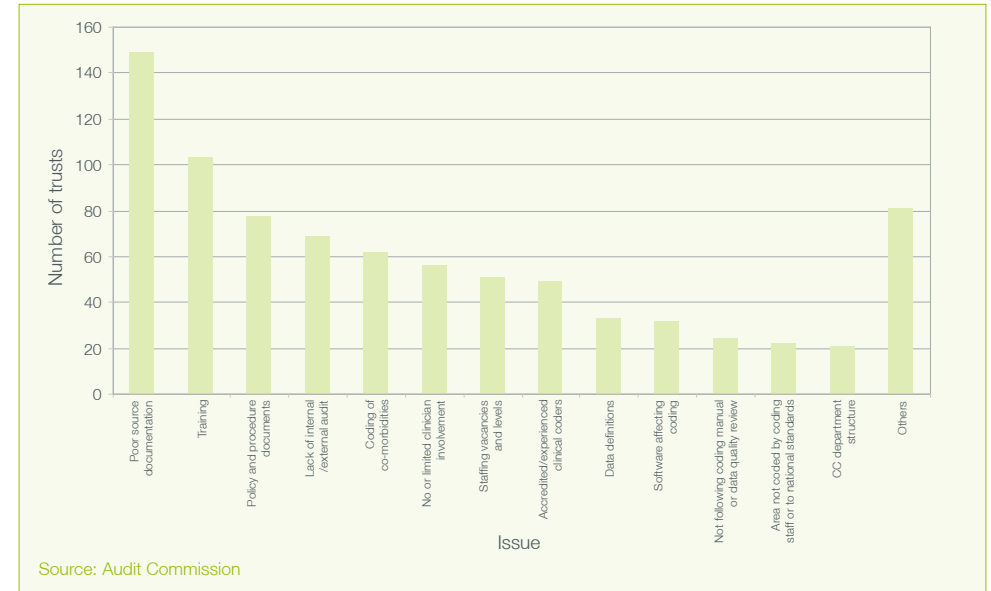


Summary

But a generally much smaller net financial impact and no national trend of under- or over-charging

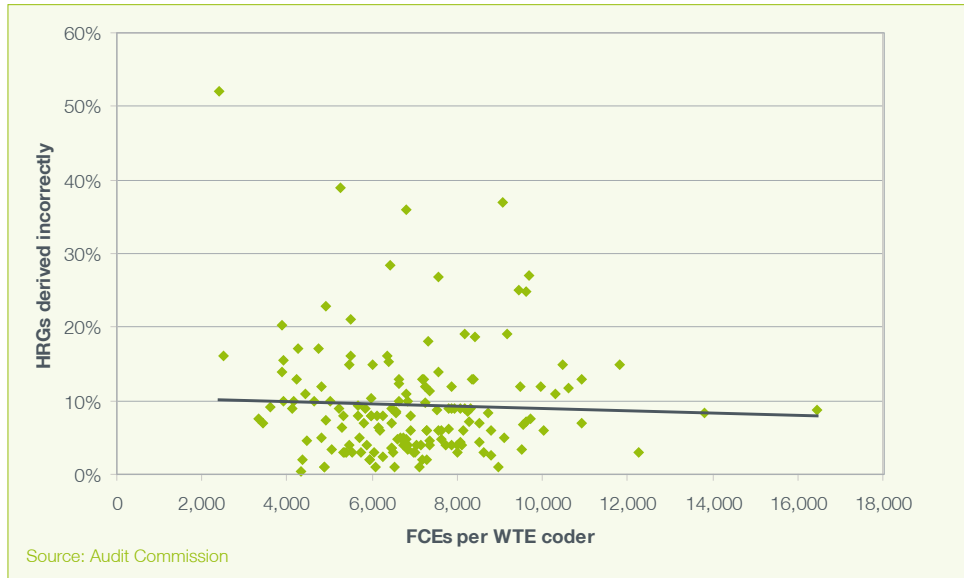


The quality of source documentation was the most common factor affecting the accuracy of clinical coding

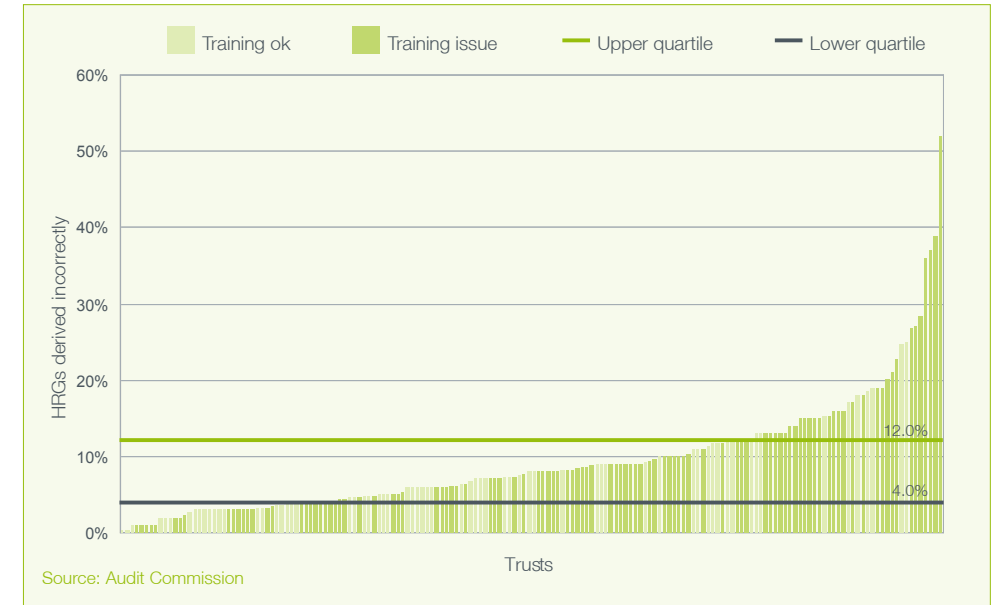


Summary

Numbers of coders did not appear to affect coding accuracy ...

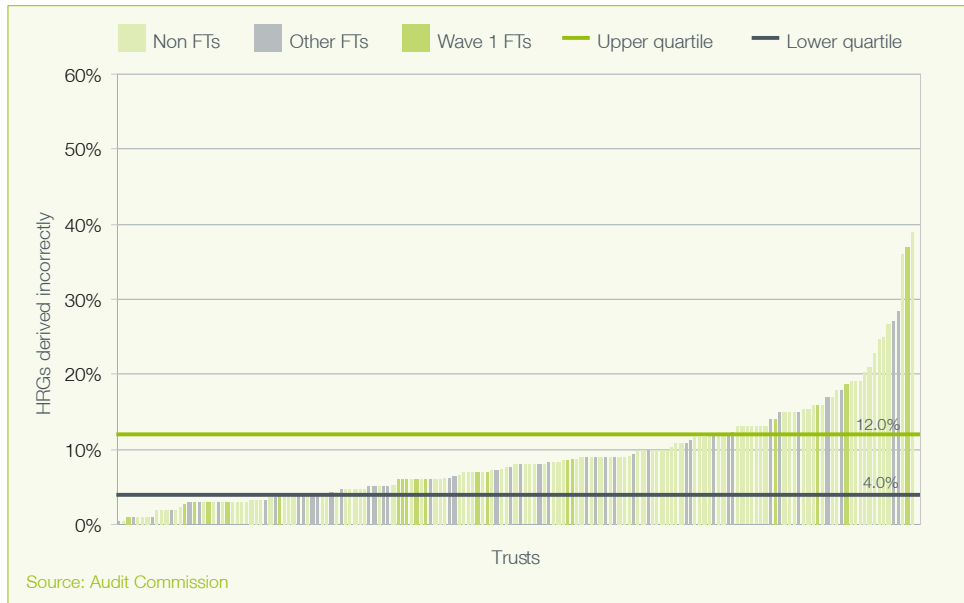


But training and development does seem to have an effect

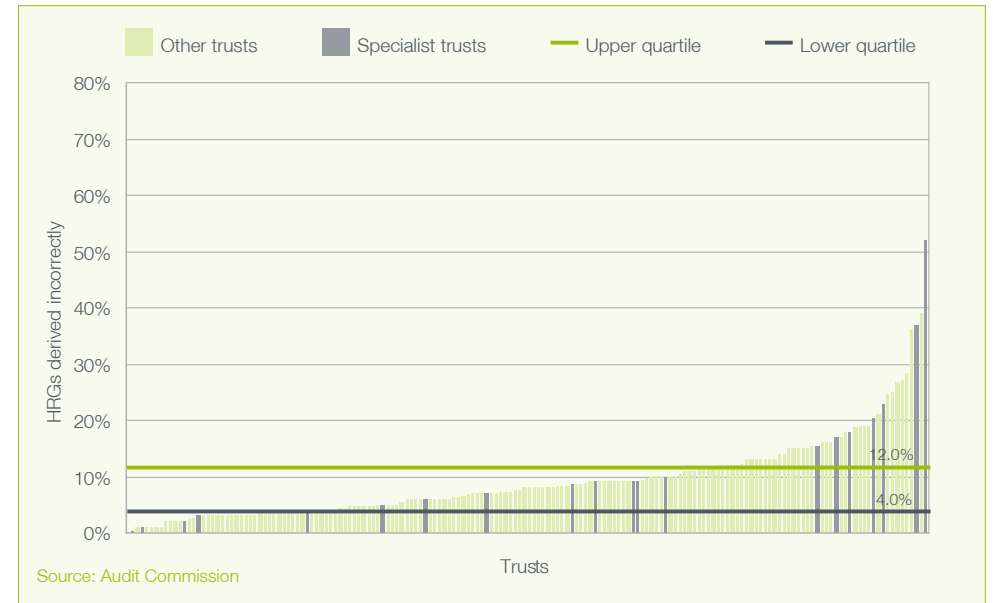


Summary

On average, foundation trusts performed marginally better ...

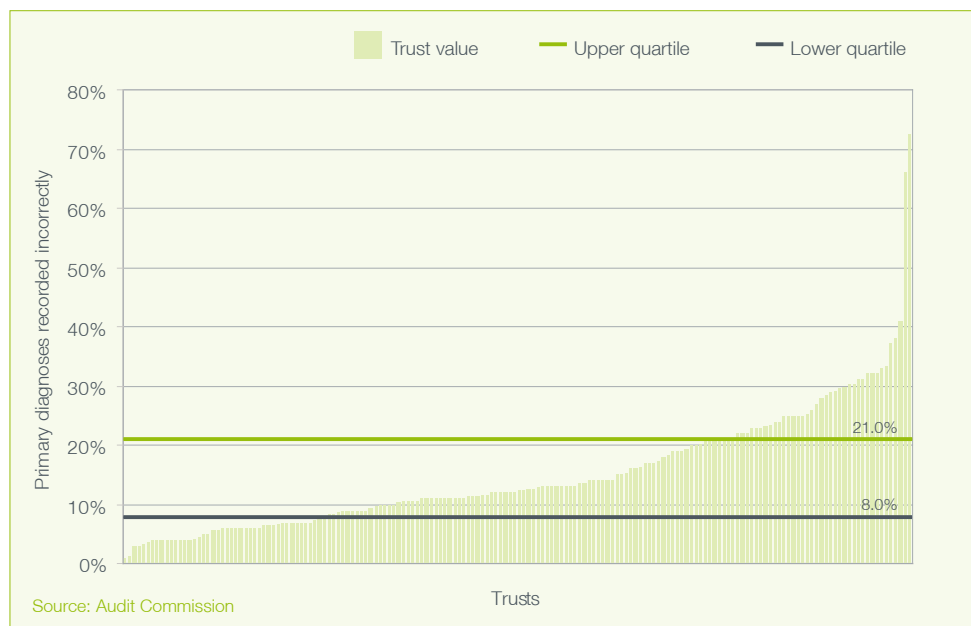


Whilst specialist trusts performed slightly worse with some variation

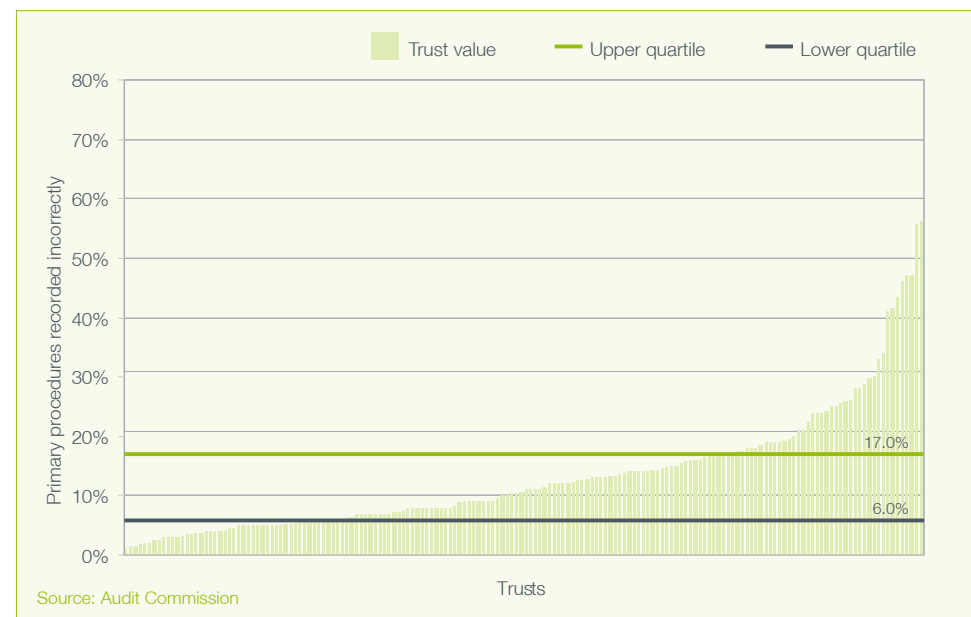


Summary

Underlying clinical coding accuracy was worse than at HRG level ...



And this has wider information implications for the NHS



Copies of the full report are available at: www.audit-commission.gov.uk
or to order a printed copy telephone: 0800 502030 quoting stock code: HNR3468.

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers by auditing the £180 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for people.

Audit Commission

1st Floor
Millbank Tower
Millbank
London
SW1P 4HQ

Tel: 0844 798 1212

Fax: 0844 798 2945

Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk

Stock code: HSY3469