

**ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS  
ADMINISTRATIVE CODE**

**RULE**

Division: Workers' Compensation  
Chapter: Utilization Management and Bill Screening  
Page: 1 of 3

**480-5-5-.25 ON-SITE AUDIT.**

(1) Audit disputes between the URE or employer/agent and billing party may be referred to the Workers' Compensation Ombudsman Program for medical dispute resolution in accordance with Code of Alabama, 1975, §25-5-77(i).

**(2) URE or Employer/Agent Responsibilities**

(a) The services to be audited shall be identified within fourteen (14) working days after the URE or employer/agent receives the approved standard reimbursement form as stated in Rule 480-5-5-.22.

(b) The URE or employer/agent or its audit firm shall make an appointment to do the audit at a time that is mutually agreeable, but no later than 30 days from receipt of the written request. At the time the appointment is made, the provider shall be informed of:

1. The name(s) of patient(s) whose records are to be audited.
2. The admission, discharge or treatment dates for each case.
3. The medical record numbers and billing numbers of the claims to be audited, as assigned by the billing party, if those appear on the claim.
4. The name(s) of the auditor(s) who will conduct the audit, if available, and the name of the audit firm if the URE or employer/agent is contracting for auditing services.
5. The portion of the bill to be audited (i.e., drugs, respiratory therapy, etc.) if the entire bill is not to be audited.

(c) The auditor shall be a first level clinical reviewer familiar with billing practices, medical terminology and medical record charting if billing audit is done by the URE or employer/agent.

(d) Auditors shall be properly authorized and identified as representatives of the URE or employer/agent, or its audit firm.

**ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS  
ADMINISTRATIVE CODE**

**480-5-5-25**

**Page 2 of 3**

(e) The URE or employer/agent shall pay at least 80 percent (80%) of the reimbursement rate methodology, see Rule 480-5-5-.04, prior to the audit. If an audit fee is charged by the provider, it shall not exceed \$50.00 per patient record plus copy charges, if copies are requested, in accordance with 1994 Alabama Act 609.

(f) Auditors shall itemize specific unsupported charges and unbilled charges found on provider bills. The final audit findings shall offset unbilled charges against unsupported charges in a reconciliation process that shall be completed by the URE or employer/agent after receiving the audit report that shall include a listing of all unbilled charges and unsupported billings.

(g) Auditors shall conduct an exit interview with the provider's audit coordinator and/or other appropriate personnel prior to leaving to permit review of the preliminary audit results before issuing a final report. If the exit interview is waived by the provider, this fact shall be indicated in writing.

1. A written report of the final audit results shall be sent to all interested parties within 25 working days.

**(3) Provider Responsibilities**

(a) Providers shall schedule an appointment to audit a bill promptly upon the receipt of a request for such an appointment, at a time mutually agreed upon, but no later than 30 days from receipt of written request.

(b) Providers shall respond promptly to a request for an itemized bill from the URE, employer/agent or audit firm.

(c) Providers shall respond promptly to a request for additional information on the period of treatment, including information from the medical record and from the billing office.

(d) Providers shall designate one individual to be responsible for coordinating all audit activities, and act as a liaison between provider personnel and the auditor. This shall include informing appropriate provider departments of pending audits and audit results, answering auditor questions, issuing a refund to the appropriate party, etc. After notice of a proposed audit has been received by the provider, this individual shall coordinate the provision of medical records, financial records, and any other documentation needed to substantiate

**ALABAMA DEPARTMENT OF INDUSTRIAL RELATIONS  
ADMINISTRATIVE CODE**

**480-5-5-.25**

**Page 3 of 3**

(e) The provider liaison shall acquaint the auditor with its record system and charging practices.

(f) All substances administered to the patient in any form, as well as all treatments or medical services, shall be specifically and accurately documented.

(g) The provider's representative shall be available to the auditor to conduct an exit interview. Discrepancies shall be reviewed, resolved, and agreed upon by both parties. This shall be done by oral confirmation followed by a written confirmation of the unbilled and/or undocumented charges identified during the audit and signed by both parties. In the event that same day resolution is not possible, the provider, in a timely manner, shall resolve differences in any unsupported or unbilled amounts resulting from the audit.

(h) The provider shall issue refunds within 25 working days if overcharges and/or undocumented services exceeding the balance of the URE or employer/agent liability are discovered during the audit. In addition, the provider shall refund the audit fee, if charged.

(i) Providers shall not bill for undocumented charges discovered during the bill audit process. However, the provider shall bill for documented and previously unbilled charges discovered during the bill audit process, for charges in excess of the audit fee charged by the provider.

Author: Workers' Compensation Division

Statutory Authority: Code of Alabama, 1975, §25-5-293 and 1994 Alabama Act 609

History: Effective September 12, 1996