AUDIT-READY RESOURCE CENTER

Audit Decision Trees

Step-by-step visual pathways that help coders and auditors make consistent, defensible coding, documentation, and compliance decisions.

1	**Define the Question** Identify the code, service, modifier, diagnosis, or documentation issue under review.
2	**Confirm the Evidence** Review the complete record and separate documented facts from assumptions.
3	**Follow the Official Guidance** Apply the appropriate official coding guidelines, payer policy, or organizational standard before reaching a conclusion.
4	**Determine the Outcome** Decide whether the item is supported, unsupported, unclear, or requires escalation.
5	**Document the Rationale** Record the evidence, authority, impact, and next action so another reviewer can reproduce the decision.

Core principle: A decision tree supports consistency, but it does not replace professional judgment, complete-record review, or current authoritative guidance.

Think Like an Auditor. Code With Defensibility.

Ask the right question. Follow the evidence. Document the rationale.

Core Decision Pathways

Use these pathways as a structured starting point for coding and audit review.

Documentation Support	**Decision question:** Is the required information present?	**YES:** If yes, assess clarity, specificity, linkage, and clinical support. **NO:** If no, do not infer missing facts; identify the documentation gap and next action.
Code Selection	**Decision question:** Does the documented condition or service meet the code definition?	**YES:** If yes, validate sequencing, specificity, and applicable exclusions or instructions. **NO:** If no, select a supported alternative or document why the reported code is not supported.
Modifier Review	**Decision question:** Does the documentation establish the circumstance represented by the modifier?	**YES:** If yes, verify payer policy, edits, and any required distinctness or timing elements. **NO:** If no, remove or question the modifier rather than relying on payment outcome alone.
Medical Necessity	**Decision question:** Is the service correctly coded and supported by the record?	**YES:** If yes, then evaluate coverage criteria, payer policy, and clinical indication. **NO:** If no, resolve the coding or documentation issue before making a coverage conclusion.
Escalation	**Decision question:** Can the issue be resolved using the available record and applicable authority?	**YES:** If yes, document the conclusion and disposition. **NO:** If no, route for clarification, policy review, compliance review, or leadership decision.

Decision Tree Safeguards

Use the Complete Record

Do not make a final decision from one note section, one code, or one data element.

Follow the Official Guidance

Apply the appropriate official coding guidelines, payer policy, or organizational standard before reaching a conclusion.

Separate Coding From Intent

An unsupported code or modifier is not automatic evidence of fraud or abuse.

Retain the reviewed evidence, methodology, rationale, and final disposition.

Define Escalation Criteria

Specify when uncertainty, materiality, pattern risk, or policy conflict requires additional review.

Reassess the Pathway

Update decision trees when regulations, code sets, payer policies, or internal processes change.

Document the Decision

A reproducible decision record should explain the question, evidence, authority, conclusion, and next action.

Question	What specific coding, documentation, billing, or compliance issue was evaluated?
Evidence	What facts from the complete record support the decision?
Authority	What guideline, edit, payer policy, or organizational standard applies?
Conclusion	Was the item supported, unsupported, unclear, or escalated?
Impact	What compliance, reimbursement, quality, or operational effect results?
Action	What correction, education, clarification, monitoring, or escalation is appropriate?

Three Questions Before Finalizing

QUESTION 1

Does the medical record support my decision?

QUESTION 2

Did I follow the applicable official guidelines, payer policy, or organizational standard that supports this decision?

QUESTION 3

Could another coder or auditor reproduce the same conclusion from the same record?

Think Like an Auditor. Code with Intent. Defend with Confidence.