مجلس الضمان الصحي
Council of Health Insurance

External Audit Vendor Certification Framework

(Version 1.0)

Document Control and Version History

1. Document Information

Item	Description
Document Title	CHI External Audit Vendor Certification Framework
Document Owner	CHI Health Information Management (HIM) & Reimbursement Models Department, Sector Enablement, Council of Health Insurance (CHI).
Version	1.0
Effective Date	1st October 2026
Review Date	31st December 2028
Status	Approved
Applies To	Vendors/Companies
Classification	Public

2. Version History

Version	Date/Year		Description of Changes
1.0	1st October 2025	-	Initial publication of CHI External Audit Vendor Certification Framework, Version 1.0

Table of Contents

Glossary, Definitions & Acronyms

Acronym	Definition
AAPC	American Academy of Professional Coders
ACS	Australian Coding Standards
AHIMA	American Health Information Management Association
CCC	Clinical Coder Certification
CCSC	Clinical Coding Steering Committee
COI	Conflict of Interest
CPD	Continuing Professional Development
CDI	Clinical Documentation Improvement
DRG	Diagnosis Related Groups (Australian Refined)
GOSI	General Organization for Social Insurance
HAGC	Healthcare Auditing Governance Committee
HIM	Health Information Management
HIMAA	Health Information Management Association of Australia Limited
ICD-10-AM	International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification
PHI	Protected Health Information
RCM	Revenue Cycle Management
SDAIA	Saudi Data and Artificial Intelligence Authority
SBS	Saudi Billing System
SBSCS	Saudi Billing System Coding Standards
ZATCA	Zakat, Tax and Customs Authority

Definitions

Certified Vendor
A Certified Vendor is an independent organization approved by CHI to conduct external clinical coding audits in accordance with the CHI Clinical Coding Audit Methodology and applicable regulatory requirements.

Certification
Certification is the formal recognition granted by CHI confirming that a vendor has met the eligibility, competency, governance, independence, and operational requirements established under this Framework.

Auditor
An Auditor is a qualified individual employed or engaged by a CHI-certified vendor to perform clinical coding audit activities in accordance with approved audit methodologies, professional standards, and applicable regulatory requirements.

1. Executive Summary

External clinical coding audits are a key mechanism for assessing the coding accuracy, completeness, DRG assignment, and compliance with national billing and coding standards. These audits support data quality improvement, reimbursement integrity, regulatory compliance, and confidence in healthcare information used for financing, monitoring, and policy development.

To ensure consistency, objectivity, and credibility of external audit activities, the Council of Health Insurance (CHI) has established this External Vendor Certification Framework. The framework defines the requirements for certification, oversight, performance monitoring, renewal, suspension, and revocation of vendors authorized to conduct external clinical coding audits within the private healthcare sector.

The framework establishes a transparent and standardized certification process designed to ensure that external audits are conducted by competent, independent, and appropriate resourced organizations operating in accordance with approved national standards, CHI Clinical Coding Audit Methodology and ethical principles.

Through this framework, CHI seeks to strengthen the integrity of clinical coding practices, improve consistency in audit outcomes, enhance accountability across the healthcare sector, and support the successful implementation of DRG-based reimbursement and value-based healthcare initiatives within the Kingdom of Saudi Arabia.

2. Scope & Objectives

Scope

This framework applies to vendors seeking certification by CHI to conduct external clinical coding audits within the private healthcare sector of the Kingdom of Saudi Arabia. Certification under this framework is mandatory for vendors conducting external clinical coding audits that are submitted to CHI for regulatory reporting, compliance verification, benchmarking, or any other purpose determined by CHI.

This framework governs vendor eligibility, governance arrangements, staffing, competency requirements, independence obligations, operational capabilities, performance monitoring and certification lifecycle management. It does not define audit methodology requirements, which are governed separately under the CHI Clinical Coding Audit Methodology.

Objectives

- Establish a standardized certification framework for external clinical coding audit vendors
- Promote consistency, transparency, and comparability of audit outcomes.
- Ensure auditor competency, professional integrity, and independence.
- Strengthen confidence in external audit findings used for regulatory oversight and reimbursement validation.
- Support continuous improvement in coding quality and healthcare data integrity.
- Enable effective regulatory monitoring and governance of external audit activities.

3. Responsibilities

3.1. Council of Health Insurance (CHI)

The Council of Health Insurance (CHI) is the regulatory authority responsible for establishing, governing, and overseeing the national framework for external clinical coding audits within the private healthcare sector in the Kingdom of Saudi Arabia. CHI administers the certification program for external clinical coding audit vendors and provides oversight to ensure the integrity, consistency, quality, and transparency of clinical coding audit activities conducted under the CHI approved Coding Audit Methodology.

In this capacity, CHI oversees the Healthcare Auditing Governance Committee (HAGC), the Clinical Coding Steering Committee (CCSC) and any delegated technical or advisory subcommittees responsible for supporting the which governance and continuous improvement of clinical coding audit practices.

CHI's responsibilities include:

- Establishing, maintaining and periodically updating the governance framework for external clinical coding audits, including applicable policies, standards, procedures and certification requirements.
- Defining eligibility, competency, independence, quality, and performance requirements for certified external audit vendors.
- Certifying, monitoring, renewing, suspending, or revoking the certification status of external audit vendors in accordance with this framework.
- Monitoring compliance with approved audit methodologies, reporting requirements, and regulatory obligations.
- Promoting consistency, transparency, and continuous improvement in clinical coding audit practices across the private healthcare sector.
- Maintaining a registry of CHI-certified external clinical coding audit vendors.

3.2. Certified Vendors

CHI certified external audit vendors are independent entities that have been certified by CHI to conduct external clinical coding audits in accordance with the approved CHI Coding Audit Methodology framework.

Certification confirms that vendor has demonstrated compliance with CHI defined requirements relating to governance, technical competency, auditor qualifications, operational capability, independence, and ethical conduct. Certification does not constitute endorsement by CHI of any specific audit finding, conclusion, or recommendation issued by the vendor.

Certified vendors are responsible for:

- Conducting external clinical coding audits in accordance with the latest CHI-approved Clinical Coding Audit Methodology.
- Independently assessing coding accuracy, documentation quality, compliance with coding standards and DRG assignment where applicable.

- Maintaining auditor independence, objectivity, confidentiality, and professional integrity throughout all audit activities.
- Submitting audit reports, findings, and related information to healthcare providers and CHI in accordance with CHI standardized audit template/formats, timelines, and reporting requirements.
- Maintaining appropriate quality assurance, peer-review, and governance processes to ensure the accuracy and consistency of audit outcomes.
- Participation in follow-up audits, appeals, corrective-action validation activities and any regulatory review processes initiated by CHI.
- Complying with all applicable laws, regulations, data protection requirements, and CHI governance standards.

3.3. Certification

Certification is the formal recognition granted by CHI confirming that an external audit vendor has satisfied the eligibility, competency, independence, governance, operational, and compliance requirements established under this framework. Certification authorizes a vendor to perform external clinical coding audits within the scope defined by CHI for the validity period of the certification.

3.4. Auditors

Auditors are qualified individuals employed or engaged by CHI certified external audit vendors to perform clinical coding audit activities in accordance with the requirements of this framework and the applicable CHI-approved clinical coding audit methodology.

Auditors are responsible for:

- Conducting audit activities objectively, independently and in accordance with professional and ethical standards.
- Applying the latest CHI-approved Clinical Coding Audit Methodology and associated audit requirements consistently and accurately.
- Reviewing clinical documentation, coded data, and related records in accordance with approved coding standards and audit criteria.
- Documenting audit findings with clear, evidence-based rationale and supporting records.
- Maintaining confidentiality, integrity, and security of all information accessed during audit activities.
- Promptly declaring any actual, potential, or perceived conflicts of interest and complying with applicable conflict-of-interest requirements.
- Participating in quality assurance, peer review, and continuous professional development activities, as required.

3.5. Healthcare Providers

Healthcare providers are responsible for facilitating and supporting external clinical coding audits conducted in accordance with CHI approved clinical coding audit methodology. Providers shall engage CHI certified external audit vendors and cooperate throughout the audit process to enable an accurate, transparent, and timely assessment of coding quality and compliance.

Healthcare providers remain accountable for the accuracy and completeness of the clinical documentation and coded data submitted through their operational and reimbursement processes, irrespective of the outcome of any external audit.

Healthcare providers shall:

- Select and appoint only CHI-certified external audit vendors listed in the official CHI-certified vendor registry.
- Facilitate access to the records, documentation, systems, and information required to conduct the audit, subject to applicable legal and confidentiality requirements.
- Ensure timely cooperation with audit activities, including requests for clarification, supporting evidence, and follow-up reviews.
- Review audit findings and implement corrective actions, quality improvement initiatives, or remediation plans, where applicable.
- Participate in re-audits, appeals, corrective action validation activities, or other regulatory processes as required by CHI.
- Comply with all applicable CHI requirements relating to clinical coding audits, reporting obligations, and data governance.

Providers' mandatory responsibilities include:

- Selecting and appointing only CHI certified external audit vendors from the approved registry

4. Governance

The External Audit Vendor Certification Framework is governed by the Council of Health Insurance (CHI) through its established governance structure for clinical coding audit oversight. This structure is designed to promote consistency, transparency, independence, and quality across external clinical coding audit activities conducted within the private healthcare sector in the Kingdom of Saudi Arabia.

4.1. Healthcare Auditing Governance Committee (HAGC)

The Healthcare Auditing Governance Committee (HAGC) serves as the primary governance body providing strategic oversight of external clinical coding audit activities and safeguarding the integrity, consistency, and reliability of clinical coding. claims, reimbursement related data. and the advancement of value-based healthcare.

The HAGC is responsible for establishing and maintaining the national governance framework for clinical coding audits, including the approval of:

- Clinical coding audit methodologies governance
- Audit sampling approaches and selection criteria advisory
- Performance indicators, audit quality measures and monitoring requirements.

The HAGC provides oversight of the external coding audit through performance monitoring, governance reviews, regulatory reporting and continuous improvement initiatives. The Committee also supports market transparency by promoting de-identified national reporting,

sector feedback mechanisms and alignment with national coding, billing, DRG , and health information management initiatives.

4.2. Clinical Coding Steering Committee (CCSC)

The Clinical Coding Steering Committee (CCSC) serves as the technical and operational arm supporting the implementation of the governance framework approved by HAGC.
The CCSC is responsible for:

- Administering the External Audit Vendor Certification Framework.
- Conducting technical reviews and evaluations of vendor applications.
- Assessing vendor competency, operational capability, and compliance with certification requirements.
- Conducting interviews and technical assessments of nominated Audit Leads and auditors.
- Monitoring the performance of certified vendors through defined performance indicators and quality assurance activities.
- Developing technical guidance, coding standards, coding template, audit procedures, educational materials, and analytical reports to support the clinical coding audit ecosystem.
- Providing recommendations to the HAGC regarding certification decisions, renewals, corrective actions, and enforcement measures.

The CCSC may establish working groups or delegated technical committees, where necessary, to support specialized activities related to clinical coding audits, auditor competency assessment, and quality improvement initiatives.

4.3. Governance Principles

All certification, oversight, and monitoring activities conducted under this framework shall be guided by the following principles:

- Independence: Ensuring that audit activities are free from actual, potential, or perceived conflicts of interest.
- Objectivity: Ensuring audit findings are evidence-based, impartial, and consistently applied.
- Transparency: Promoting clear governance processes, decision-making, and performance monitoring.
- Consistency: Supporting standardized application of audit methodologies and certification requirements across the private healthcare sector.
- Accountability: Ensuring certified vendors remain responsible for the quality, accuracy, and integrity of their audit activities.
- Continuous Improvement: Promoting ongoing enhancement of coding quality, audit maturity, and healthcare data integrity.

This governance structure ensures that the External Audit Vendor Certification Framework is applied consistently, fairly, and transparently while remaining responsive to evolving regulatory requirements, national healthcare priorities, and advancements in clinical coding and reimbursement systems.

5. Vendor Eligibility Criteria

5.1. Organizational and Legal Requirements

To be eligible for certification, the vendor shall demonstrate compliance with the following minimum organizational and legal requirements:

- Hold a valid legal registration and commercial license within the Kingdom of Saudi Arabia.
- Demonstrate operational stability sufficiently to support the delivery of external clinical coding audit services.
- Maintain independence from audited entities (such as RCM, Coding) and avoid activities that may create actual, potential, or perceived conflicts of interest.
- Maintain appropriate professional indemnity and liability insurance coverage.
- Have no financial obligations/relationships, contractual agreements, ownership interests with contracted entities within the last three years inside/outside Saudi Arabia.

5.2. Staffing Requirements, Roles and Responsibilities

Audit Lead (Lead Auditor / Engagement Lead)

The Audit Lead holds overall responsibility for the planning, execution, quality, and integrity of audit engagement. The Audit Lead serves as the primary accountable individual responsible for ensuring compliance with CHI requirements, approved audit methodologies, and reporting standards.

The Audit Lead shall act as the principal liaison between the audit vendor, healthcare provider, and CHI where required.

Key responsibilities include:

- Leading audit planning, scoping, sampling and resource allocation activities in accordance with CHI Clinical Coding Audit Methodology.
- Assigning audit activities based on auditor competency and case complexity
- Ensuring consistent interpretation and application of coding standards, audit criteria, DRG requirements, and error classification frameworks.
- Reviewing, validating, and approving audit findings prior to submission.
- Ensuring compliance with applicable audit timelines, documentation standards, quality assurance requirements and reporting obligations.
- Providing technical oversight, guidance, and resolution of coding-related queries and complex audit cases.
- Attesting to the accuracy, completeness, independence and integrity of audit outcomes.
- Ensuring that audit reports are submitted to the healthcare provider and CHI in accordance with prescribed requirements/timeframe.

The Audit Lead retains ultimate accountability for the quality, credibility, and defensibility of all audit conclusions and deliverables issued under their supervision.

Auditors (Audit Team Members)

Auditors are responsible for conducting detailed reviews of clinical documentation, coded data, DRG assignments and related claims information in accordance with the CHI approved clinical coding audit methodology and under the direction of the Audit Lead.
Auditors are accountable for their accuracy. completeness and quality of their assigned reviews and shall perform their duties objectively, independently and ethically.

Key responsibilities include:

- Conducting record-level reviews in accordance with approved coding standards, audit criteria, and documentation requirements.
- Assessing compliance with applicable coding classifications, coding standards, billing requirements, and DRG assignment rules.
- Applying approved error classifications and documenting findings with clear clinical and coding rationale.
- Maintaining confidentiality, objectivity, professional integrity and independence throughout the audit process.
- Escalating complex, ambiguous, or high-risk cases to the Audit Lead for guidance, if required.
- Completing assigned audit activities within prescribed timelines and quality expectations
- Participating in quality assurance, peer review, and continuous improvement activities as required.
- Supporting clarification, appeal, and corrective action validation processes were required.

Auditors shall perform all audit activities in accordance with CHI requirements and under the governance, oversight, and final approval authority of the Audit Lead.

Minimum Staffing Requirements

To ensure compliance with the CHI Clinical Coding Audit Methodology, appropriate oversight, quality assurance, consistency of audit outcomes, and timely completion of audit activities, certified external audit vendors shall maintain a minimum audit team structure for all external clinical coding audit engagements. The minimum audit team shall consist of:

- One (1) Audit Lead
- One (1) Qualified Auditor

The Audit Lead shall maintain overall responsibility and accountability for the planning, execution, quality assurance, supervision, and integrity of the audit engagement.

Team Responsibilities:

- The Auditor shall perform primary record-level reviews in accordance with the CHI Clinical Coding Audit Methodology.
- The Audit Lead shall provide technical oversight, guidance, and quality assurance throughout the audit process.
- The Audit Lead shall review and validate audit findings, address complex or high-risk cases, and ensure consistent application of coding standards, audit rules, and error classifications.

- The Audit Lead shall ensure compliance with audit timelines, documentation requirements, and reporting standards.
- The Audit Lead shall review, approve, and formally endorse the final audit report prior to submission.
- The Audit Lead retains ultimate accountability for the accuracy, completeness, quality, independence, and defensibility of audit findings, results and conclusions.

Additional Staffing Requirements

Certified vendors may deploy additional qualified auditors, as necessary based on:

- Healthcare provider category.
- Approved audit sample size.
- Complexity of services and specialties reviewed.
- Audit scope and timelines.
- Operational requirements of the engagement.

The number of resources assigned to an audit engagement shall be sufficient to ensure timely completion of the audit while maintaining audit quality, consistency, and compliance with CHI requirements. Regardless of team size, all audit findings and reports submitted to the healthcare provider and CHI shall be subject to review and approval by the designated Audit Lead.

Quality Assurance

Certified vendors shall maintain documented internal quality assurance and review processes to ensure consistency, reliability, and validity of audit outcomes. CHI reserves the right to request evidence of such quality assurance processes as part of certification, renewal, or performance monitoring activities.

5.3. Competency, Qualification and Experience Requirements

5.3.1. Auditor Competencies

Auditors assigned to external clinical coding audit engagements shall possess the qualifications, experience, knowledge, and professional competencies necessary to perform audits in accordance with the CHI Clinical Coding Audit Methodology and applicable coding standards. At a minimum, auditors shall meet the following requirements:

Professional Qualifications and Experience

- Hold a recognized clinical coding certification from Saudi Commission for Health Specialties (SCFHS) or HIMAA or equivalent, and at least 3 years of experience in coding post-accreditation.
- If above SCFHS or HIMAA certification are not met, Auditors must have AHIMA/AAPC recognized clinical coding certification with 5 years of post-certification clinical coding experience, with evidence of completion of ICD-10-AM and associated classification systems (SBS/ACHI) training program.
- Maintain an active professional certification status, where applicable.

Technical Competencies

- Demonstrate advanced knowledge and practical application of ICD-10-AM, Australian Coding Standards (ACS), Saudi Billing System (SBS), Saudi Billing System Coding Standards and other coding classifications or standards adopted by CHI.
- Demonstrate proficiency in the application of coding rules, conventions, classification standards, and regulatory requirements.
- Possess a thorough understanding of Diagnosis Related Group (DRG) assignment principles and their impact on reimbursement and case-mix classification.
- Demonstrate experience coding across a broad range of clinical specialties, including but not limited to internal medicine, surgery, orthopedics, cardiology, obstetrics and gynecology, emergency medicine, and critical care services.
- Demonstrate a thorough understanding of the CHI Clinical Coding Audit Methodology, audit scoring framework, error classifications, reporting standards, and audit requirements.

Professional and Analytical

- Demonstrate strong analytical, critical thinking, and problem-solving skills.
- Possess effective report-writing and documentation skills.
- Demonstrate the ability to interpret clinical documentation and support coding decisions using evidence-based rationale.
- Effectively communicate audit findings and coding-related matters to multidisciplinary stakeholders, including clinicians, coders, healthcare administrators, and regulators.
- Demonstrate the ability to identify audit findings and recommend appropriate corrective and preventive actions.
- Regulatory and Compliance Knowledge
- Demonstrate knowledge of applicable CHI requirements related to coding, billing, health information management, and audit governance.
- Demonstrate awareness of applicable Saudi Arabian laws, regulations, and requirements relating to data protection, cybersecurity, patient confidentiality, and health information governance.
- Professional Development

5.3.2. Audit Lead Competencies

In addition to meeting all Auditor competency requirements outlined in 5.3.1, the Lead Auditor shall possess the leadership, governance, and technical competencies necessary to direct and oversee external clinical coding audit engagements.:

Leadership and Governance

- Demonstrate effective leadership, team management and stakeholder engagement skills.
- Provide overall accountability for audit quality, consistency, timeliness, and deliverables.
- Demonstrate sound professional judgment and decision-making when resolving technical disagreements, coding disputes, and audit-related ambiguities.
- Lead audit planning, resource allocation, escalation management, and quality assurance activities.

Audit Management and Quality Assurance

- Demonstrate experience in managing external clinical coding audits or equivalent coding quality assurance activities.
- Possess experience in implementing quality assurance processes, peer-review mechanisms, and consistency validation activities.
- Demonstrate the ability to ensure audit findings and conclusions are accurate, evidence-based, reproducible, and appropriately supported.
- Apply risk-based approaches to identify, assess, escalate, and mitigate audit-related risks.
- Demonstrate familiarity with audit performance indicators, quality metrics, and continuous improvement methodologies.

Communication and Regulatory Engagement

- Effectively communicate audit scope, methodology, findings, and recommendations to healthcare providers, CHI, and other stakeholders.
- Lead technical discussions, clarification meetings, and dispute-resolution processes in a professional and objective manner.
- Support appeals, reviews, and adjudication activities through the clear presentation of audit evidence and rationale.
- Demonstrate strong written communication skills for formal audit reporting and regulatory submissions.

Ethics, Independence, and Professional Accountability

- Demonstrate a commitment to professional ethics, independence, confidentiality, and integrity.
- Be capable of identifying, managing, and mitigating actual, potential, or perceived conflicts of interest.
- Understand professional accountability, liability, and governance responsibilities associated with the Audit Lead role.
- Maintain ongoing compliance with professional certification and continuing professional development requirements.

CHI Assessment

- Successfully complete any competency assessment, interview, or evaluation conducted by CHI, the Clinical Coding Steering Committee (CCSC), or any delegated committee authorized by CHI.
- Demonstrate a comprehensive understanding of the CHI Clinical Coding Audit Methodology, coding standards, audit governance requirements, and regulatory expectations.

5.3.3. Core Competency Domains

Certified vendors shall ensure that Audit Leads and Auditors collectively demonstrate competency in the following domains:

- Clinical coding classifications, standards and conventions
- CD-10-AM, ACS, SBS, SBCS, and other coding systems adopted by CHI.

- DRG assignment methodologies, reimbursement principles, and case-mix classification.
- Clinical documentation review and interpretation.
- National billing standards and regulatory requirements and health information governance.
- Clinical coding audit methodology, scoring principles, and error classification frameworks.
- Audit ethics, professional conduct, independence, and conflict-of-interest management.
- Healthcare data quality, reporting, and audit analytics.

5.4. Operational Capability

- Demonstrated experience in external clinical coding audits by vendor or lead auditor
- Evidence of prior audits conducted (volume, complexity, jurisdiction) by vendor or lead auditor.
- Documented internal quality assurance and peer-review processes

5.5. Technical Requirements

- Adequate technological infrastructure to support data review, audit execution, reporting and record management.
- Automated coding tools, if utilized.
- Availability of data security, confidentiality, information governance controls, data backup and recovery plans (in accordance with CHI and regulatory requirements)

6. Code of Conduct

Certified external audit vendors and their personnel shall conduct all audit activities with the highest standards of integrity, professionalism, independence, objectivity, confidentiality, and ethical conduct. Vendors should establish and maintain appropriate governance and internal control mechanisms to prevent fraud, misconduct, conflicts of interest, and any activities that may compromise the credibility or integrity of audit outcomes.

6.1. Fraud Prevention and Integrity Controls

Fraud Prevention

Fraud Prevention refers to the policies, procedures, internal controls, monitoring activities and oversight mechanisms established by a certified vendor to prevent, detect, investigate and address any intentional act of deception, misrepresentation, data manipulation, falsification of audit findings, financial misconduct, abuse of authority or other fraudulent activity with clinical coding audit services.

Examples include, but are not limited to:

- Deliberate manipulation of audit findings or audit scores.
- Falsification of audit documentation or supporting evidence.
- Misrepresentation of auditor qualifications, certifications, or experience.
- Submission of inaccurate or misleading information to CHI or healthcare providers.

- Unauthorized disclosure or misuse of confidential information.

Integrity Controls

Integrity Controls refer to the governance arrangements, ethical standards, accountability measures, quality assurance processes, and internal safeguards, implemented by a certified vendor to ensure that all audit activities are conducted with independently, objectively, transparently, and in accordance with professional and regulatory requirements.

Policy Requirements

Certified external audit vendors shall establish, implement, maintain and periodically review a documented Fraud Prevention and Integrity Policy applicable to all employees and audit personnel engaged in audit activities

The Vendor shall ensure that such controls are effectively implemented and demonstrably operational and not limited solely to documented policies.

The policy and supporting evidence of implementation shall be made available to CHI upon request during certification, renewal, monitoring, investigation or re-certification activities.

At a minimum, the policy shall include:

- Clear definitions of fraud, misconduct, falsification of audit findings, and unethical behavior within the context of clinical coding and DRG audit activities
- A zero-tolerance approach towards fraud, corruption, bribery, data manipulation, undisclosed conflicts of interest, or collusion with audited entities.
- Established procedures for the identification, reporting, and investigation of suspected fraudulent or unethical conduct
- Confidential whistleblowing channels that enable personnel to raise concerns without fear of retaliation or adverse consequences
- Defined escalation pathways, disciplinary measures and corrective actions for confirmed violations.
- Requirements for periodic training and awareness programs for audit staff on fraud risks, ethical conduct, and professional integrity
- Controls to mitigate risks of self-review, financial incentive bias, or influence from audited providers.
- Processes for reporting significant fraud, misconduct, or integrity breaches to CHI where applicable.

6.2. Declaration of Conflict-of-interest (COI)

Definition

Any circumstance where personal, financial, familial, or other interests could compromise or appear to compromise an auditor's impartiality

Scope

Applies to all CHI certified vendor personnel (leads, auditors, employees,) involved in any stage of coding, clinical documentation review, audit sampling, DRG validation, reporting work delivered to the client.

Certified vendors shall ensure compliance with these requirements at both the individual and organizational levels.

Conflict of Interest (COI) Disclosure Requirements

All personnel assigned to an audit engagement must complete and sign a Conflict of Interest (COI) Declaration prior to commencing any audit activity and shall promptly update the declaration if circumstances change during the audit period. A sample declaration form is provided in Appendix C.

Disclosures shall include, but are not limited to:

- Current or previous employment with the audited healthcare provider or any related entities within the preceding twelve (12) months.
- Financial interests (equity, consultancy fees, retainers) in the audited provider or competitor
- Family or close personal relationships with staff of the audited provider.
- Any gifts, hospitality, sponsorship, travel benefits or other benefits received from the audited entity provider in the past 24 months
- Any prior role in preparing the records or documentation to be audited

Mitigation measures

Where conflicts are manageable (not disqualifying), required mitigation may include:

- Reassignment for a different project
- Mandatory, documented independent second review by a person with no connection to the audited provider
- Prohibition of access to client-sensitive areas linked to the conflict
- Individuals with prior employment at the audited provider shall be ineligible to participate in audits of that provider for a period of at least 12 months following the termination of their employment.

Sample COI Disclosure Form

Conflict of Interest Disclosure & Attestation (Sample Form)

Name: _____ Role: _____ Client: _____ Date: _____

1. In the last 12 months, have you been employed by or consulted for the audited provider or any related entity? ☐ Yes ☐ No

If yes, provide details: _____

2. Do you or a related party hold any financial interest (equity, consultancy fee, retainer) in the audited provider or competitor? ☐ Yes ☐ No

If yes, details: _____

3. Do you have a family or close personal relationship with anyone employed by the audited provider? ☐ Yes ☐ No

If yes, details: _____

4. Have you received gifts or hospitality from the audited provider in the last 24 months ? ☐ Yes ☐ No

If yes, details: _____

5. Have you had any role in preparing records, coding, or documentation that will be audited? ☐ Yes ☐ No

If yes, details: _____

I confirm that the above is true to the best of my knowledge. I will immediately notify compliance if circumstances change.

Signature: _____ Date: _____

7. Documentation Requirements

Applicants seeking certification as a CHI-Certified External Clinical Coding Audit Vendor shall submit all documentation required by CHI to demonstrate compliance with the eligibility, competency, governance, operational, and regulatory requirements of this framework.

CHI reserves the right to request additional documentation, clarification, or supporting evidence at any stage of the certification, renewal, monitoring, or investigation process.

7.1. Auditor Level Documents

- Current curriculum vitae (CV).
- Evidence of valid professional coding certification(s).

- Evidence of ICD-10-AM training and related classification training, where applicable.
- Signed Confidentiality Declaration.
- Signed Conflict of Interest (COI) Declaration.
- Continuing Professional Development (CPD) records

7.2. Vendor Level Documents

The vendor shall submit the following documents as part of the certification application:

- Valid Commercial Registration (CR)
- Valid Zakat, Tax and Customs Authority (ZATCA) Certificate
- Valid GOSI Certificate
- ICD-10-AM Classification license
- Corporate profile and governance structure
- Company profile
- Client reference (if any)
- CVs of the executive members of the company
- Organizational Chart
- Data, Security and Quality policies

8. Certification Process

8.1. Application Submission

- Applications should be submitted electronically through CHI portal or as designated.
- All required documents should be uploaded to the portal or as designated.
- An application fee may be applied for processing.
- Vendor should complete and submit the application within 30 calendar days from the application start date to avoid cancellation.
- Vendors will be notified of any uncompleted data or missing document within thirty (30) business days from the date of submitting the application

Submission of an application does not guarantee certification.

8.2. Vendor Evaluation

All applications shall undergo a structured evaluation process conducted by CHI to assess compliance with the eligibility, competency, governance, operational, technical, and independence requirements defined within this framework.

The evaluation process may include:

- Documentation review.
- Verification of qualifications and certifications.
- Validation of organizational and legal requirements.
- Assessment of operational and technical capability.

- Interview and presentation.
- Audit Lead competency assessment.
- Additional reviews or clarification requests were required.

8.3. Vendor Certification Scoring Methodology

The certification evaluation shall be based on a total score of one hundred (100) points. The scoring methodology is designed to ensure an objective, transparent, and evidence-based assessment of vendor capability, while also evaluating practical readiness to conduct external clinical coding audits.

Documentary Assessment (70%)

Seventy (70) points shall be allocated to the assessment of:

- Organizational, legal and governance requirements.
- Staffing and resource capacity.
- Operational capability.
- Quality assurance and compliance arrangements.

Scores shall be based on verifiable documentation, certifications, declared resources, policies, procedures, and supporting evidence submitted by the vendor.

Interview and Presentation Assessment (30%)

Thirty (30) points shall be allocated to the interview and presentation assessment. This component evaluates:

- Organizational maturity.
- Understanding of CHI requirements.
- Practical audit capability.
- Governance and quality oversight arrangements.
- Readiness to deliver external clinical coding audit services.
- Lead Auditor Interview: includes Practical understanding of the CHI Clinical Coding Audit Methodology, External Audit Vendor Certification Framework, Understanding of ICD-10AM/ SBS/SBSCS/DRG, Stakeholders communication and audit reporting template, ethical practice etc.

8.4. Mandatory Eligibility Requirements

The following requirements are considered fundamental eligibility conditions and shall not be subject to compensatory scoring:

- Valid legal registration and licensing.
- Demonstrated organizational independence.
- Submission of required Conflict of Interest disclosures.
- Compliance with applicable regulatory and legal requirements.

Failure to satisfy any mandatory requirement shall result in automatic disqualification from the certification process.

Audit Lead Requirement

Successful completion of the Audit Lead interview and competency assessment is mandatory. Failure of the nominated Audit Lead to successfully complete the assessment may result in disqualification of the application regardless of the overall evaluation score.

Interview and presentation

As part of the evaluation process, the vendor shall participate in an interview and presentation session conducted by CHI. The purpose of the session is to validate the information provided in the application and assess the organization's readiness to perform external clinical coding audits.

The presentation shall be delivered by executive and operational representatives responsible for the governance and delivery of audit services with minimum Presentation Content:

- Company profile, and organizational background,
- Corporate governance structure, and reporting arrangements/lines
- Overview of executive leadership and management accountability.
- Description of core services and relevant healthcare experience.
- Audit team structure and resource model.
- Understanding of the CHI Clinical Coding Audit Methodology and Vendor Certification Framework.
- Description of any automated systems or tools used to support audit execution, data review, and results management

Audit Lead Interview

The nominated Lead Auditor shall attend and actively participate in the interview conducted by CHI as part of the evaluation and scoring process. The purpose of the assessment is to verify technical competency, audit expertise, leadership capability, and understanding of CHI requirements. The assessment includes evaluation of the following, but not limited to:

- ICD-10-AM and Australian Coding Standards (ACS).
- Saudi Billing System (SBS) and Saudi Billing Coding Standards (SBCS).
- DRG assignment and reimbursement principles.
- Clinical documentation assessment.
- Audit methodology and error classification frameworks.
- Audit governance and quality assurance principles.
- Regulatory requirements and ethical conduct.
- Appeals, dispute resolution, and professional judgment.
- Detailed competency domains and assessment criteria are provided in Appendix D.

Change of Approved Audit Lead

Where an approved Audit Lead ceases employment or engagement with a certified vendor:

- The vendor shall notify CHI within thirty (30) calendar days.
- A replacement Audit Lead shall be nominated for CHI approval.
- The replacement Audit Lead shall successfully complete the applicable competency assessment and interview process before participating in any external coding audit activities conducted under the certification.
- No external audit activities requiring Audit Lead approval may be conducted by an unapproved replacement.

Evaluation Weighting and Weighting

The vendor evaluation process shall be based on a total score of one hundred (100) points. Scores shall be allocated across the assessment domains outlined below.

Evaluation Category	Weight (%)
Organizational, Legal and Governance Requirements	15
Staffing and Resource Capacity	10
Professional Competency and Qualifications	20
Operational Capability and Quality Management	15
Technology and Information Security	10
Interview and Presentation Assessment	30
Total	**100**

Detailed scoring criteria and evaluation methodology for each category are provided in Appendix D. CHI reserves the right to revise the evaluation weighting and scoring criteria as part of future framework updates.

8.5. Certification Decision

Upon completion of the evaluation process, CHI shall determine the certification outcome based on the applicant's compliance with the requirements of this framework.

Applicant Vendors shall be formally notified of the certification decision within (60) days from the date a complete application is accepted for review.
Certified vendors shall be issued a CHI External Clinical Coding Audit Vendor Certificate specifying the scope and validity period of the certification. An annual certification fee may apply to certified vendors.

Certification remains subject to ongoing compliance with CHI requirements, performance monitoring, and periodic review. CHI reserves the right to suspend, impose conditions on, or revoke certification in accordance with Section 10 of this Framework.

Conditional Qualification

A vendor may be granted Conditional Qualification by CHI, where certain non-critical requirements remain outstanding. Conditional Certification may only be granted where the identified gaps do not impair the vendor's ability to perform audits or affect the independence, accuracy, and integrity of audit outcomes

The vendor shall sign a remediation agreement that defines the required corrective actions and the specified period for their completion. Once corrective action plan is completed the status of the vendor will be updated to "Qualified".

Example: Pending Employment process

- Vendor has identified and selected a qualified auditor, and the employment process is in progress; however, the individual has not yet been officially onboarded with a Timeframe example: Up to 3 months to complete the hiring and onboarding process.

CHI reserves the right to withdraw Conditional Certification where remediation requirements are not completed within the approved timeframe.

Unsuccessful Applications

Applicant vendors that do not meet the minimum certification requirements score shall be classified as "Not Certified". A vendor whose application is unsuccessful may reapply for certification subject to the following conditions:

- Reapplication may be submitted no earlier than thirty (30) calendar days from the date of notification.
- A non-refundable reapplication processing fee may apply.
- The reapplication shall be assessed in accordance with the certification process outlined in this framework.
- Previous application results shall not guarantee certification in subsequent applications.

If an applicant fails to submit a reapplication within sixty (60) calendar days following notification:

- The application shall be deemed closed.
- Any future submission shall be treated as a new certification application.

The applicant shall be required to complete the full certification process.

Certification Decision Threshold

Final Score	Certification Outcome
85% and above	Certified
70% to 84%	Conditionally Certified
Below 70%	Not Certified

Achievement of the minimum score alone does not guarantee certification. Applicants must also satisfy all mandatory eligibility requirements, including legal registration, independence requirements, conflict-of-interest declarations, and successful completion of the Audit Lead assessment.

8.6. Publication of Certified Vendors

Successful applicants will be issued an official CHI certificate specifying:

- Vendor name.
- Certification reference number.
- Scope of certification.
- Effective date.
- Expiry date.

To promote transparency and facilitate selection of approved vendors, CHI shall maintain and publish an official registry of certified external clinical coding audit vendors. The public registry may include:

- Vendor name.
- Certification status.
- Certification validity period.
- Approved scope of services.
- Contact information.
- Other information deemed appropriate by CHI.

Only vendors appearing on the official CHI registry shall be recognized as CHI-Certified External Clinical Coding Audit Vendors for the purposes of conducting external clinical coding audits under the CHI Clinical Coding Audit Methodology.

9. Performance Monitoring

CHI shall monitor the performance of certified external clinical coding audit vendor through a structured performance monitoring framework designed to assess audit quality, consistency, compliance, timeliness and stakeholder satisfaction.

Performance monitoring shall be undertaken by the CHI Clinical Coding Steering Committee (CCSC) and may include periodic reviews, audit report validation, quality assurance assessments, performance analytics, provider feedback, and other oversight activities deemed necessary by CHI.

Certified vendors shall cooperate with all monitoring activities and provide information, documentation, and evidence requested by CHI.

9.1. Performance Indicators

Vendor performance may be assessed using key performance indicators (KPIs) and other evaluation measures, including but not limited to:

Audit Quality and Accuracy

- Audit Accuracy Rate: Percentage of audit findings validated as accurate through CHI quality assurance reviews, re-audits or sampling exercises.
- Audit Finding Consistency Rate: Degree of consistency in audit outcomes across similar cases and engagements.
- Appeal Overturn Rate: Percentage of audit findings subsequently modified or overturned through the appeals process.
- Rework Rate: Percentage of audit reports requiring correction, clarification, or re-submission following CHI review.

Timeliness and Operational Performance

- Timely Submission Rate: Percentage of audit reports submitted within the timelines prescribed by CHI.
- Audit Turnaround Time: Average duration between audit commencement and final report submission.
- Response Time to Clarifications: Time taken by the vendor to respond to provider or CHI requests for clarification.

Stakeholder Experience

- Provider Satisfaction Score: Feedback from audited healthcare providers regarding professionalism, communication, quality of reporting, and overall engagement.
- Complaint Rate: Number of substantiated complaints related to audit quality, professional conduct, independence, or service delivery.

Compliance and Governance

- Compliance with CHI Requirements: Adherence to certification conditions, reporting requirements, audit methodology, and regulatory obligations.
- Quality Assurance Compliance: Effectiveness of internal quality assurance, peer review, and governance controls.

CHI may periodically revise performance indicators and establish benchmark thresholds as part of ongoing enhancement of the certification program.

10. Certification Renewal, Suspension and Revocation

10.1. Certification Renewal

Certification shall remain valid for a period of one (1) year from the date of issuance, subject to ongoing compliance with the requirements of this framework and satisfactory performance monitoring outcomes.

Renewal Requirements

- Certified vendors seeking renewal shall submit a renewal application no later than sixty (60) calendar days prior to the certification expiry date.
- CHI shall issue a renewal decision within a maximum of sixty (60) calendar days following receipt of a complete renewal application.

Renewal Documentation Requirements

Renewal applicants shall submit:

- Updated legal and corporate documentation
- Evidence of continued financial and operational stability
- Updated organizational structure and staffing roster.
- Evidence of valid professional certification for Audit Leads and Auditors.
- Summary of audits conducted during the certification period
- Internal quality assurance and peer-review reports
- Updated information security, confidentiality, and business continuity documentation.
- Any additional information requested by CHI.

Conditional Renewal

CHI may grant a Conditional Renewal where identified deficiencies do not materially compromise audit quality, independence, information security, or the integrity of audit outcomes and can be remediated within a defined period. A corrective action plan shall be agreed upon between CHI and the vendor, specifying:

- Identified deficiencies.
- Required corrective actions.
- Required evidence of remediation.
- Applicable completion timelines.

Conditional status shall only be removed following satisfactory verification of corrective actions by CHI. Examples of Deficiencies Eligible for Conditional Renewal

Performance Related Deficiencies:

- High variability in audit findings across similar case types.
- Elevated appeal overturn rates.
- Repeated minor deficiencies in audit documentation.
- Recurring quality concerns identified through performance monitoring.

Staffing and Competency Deficiencies:

- Temporary shortage of qualified auditors or high workforce turnover affecting audit capacity.
- Professional certifications pending renewal
- Insufficient evidence of continuing professional development (CPD) activities.

Operational and Reporting Deficiencies:

- Repeated minor delays in audit submission.
- Delays in responding to clarification requests or appeal queries
- Minor deficiencies in internal quality assurance processes.
- Administrative compliance issues do not affect audit integrity.

10.2. Suspension and Revocation

CHI may impose regulatory actions where a certified vendor fails to comply with the requirements of this Framework, demonstrates inadequate performance, or engages in misconduct that undermines the integrity of the certification program. Enforcement actions may include, but are not limited to:

- Suspension: Temporary suspension of certification for a defined period, subject to corrective actions and reinstatement requirements established by CHI.
- Revocation: Permanent withdrawal of certification and removal from the CHI Certified External Audit Vendor Registry.
- Financial Penalties: Financial sanctions imposed in accordance with applicable CHI policies, regulations, or enforcement procedures where authorized.

The following may result in suspension or revocation:

- Deliberate falsification or manipulation of audit findings.
- Submission of materially inaccurate audit reports.
- Failure to disclose conflicts of interest.
- Breach of confidentiality or unauthorized disclosure of healthcare information.
- Misrepresentation of qualifications, certifications, or experience.
- Fraudulent conduct during certification or audit activities.
- Repeated non-compliance with CHI requirements.
- Failure to maintain minimum eligibility conditions.

CHI reserves the right to determine the appropriate enforcement action based on the nature, severity, frequency, and impact of the violation.

10.3. Appeals

Vendor subject to any enforcement action including warnings, financial penalties, suspension, or revocation shall have the right to appeal the decision.

Appeal Submission

- Appeals shall be submitted through the designated CHI platform.
- Appeal must be submitted within (30) calendar days from the date of notification. Appeals submitted after this period may not be considered.
- Failure to appeal within the prescribed timeframe shall be deemed acceptance of the decision.

Appeal Requirements

The appeal submission shall clearly state the grounds for appeal, including supporting documentation and evidence. Demonstrate why the vendor believes the decision should be modified or overturned.

Appeals lacking sufficient supporting evidence may be rejected without further review.

Appeal Review

Following review, CHI may:

- uphold the original decision
- Amend the type or severity of enforcement action.
- Revoke the enforcement action where justified.

A final decision shall be made within 30 to 60 calendar days following receipt of a complete appeal. Submission of an appeal does not automatically suspend enforcement actions unless otherwise determined by CHI.

The decision issued by CHI following completion of the appeal process shall be considered final and binding

11. External Audit Process

11.1. Conducting an Audit

All certified vendors conducting external clinical coding audits shall perform such audits in accordance with, and in full compliance with, the latest version of the CHI Clinical Coding Audit Methodology Framework published by CHI.

Certified vendors shall apply the methodology consistently across all audit engagements and shall not deviate from approved requirements unless expressly authorized by CHI.

Compliance with the methodology is essential to ensure national consistency, standardization, comparability of audit outcomes, and regulatory reliability.

11.2. Audit Tariff

Audit Tariff refers to the pricing framework established or approved by CHI for external clinical coding audit services. The tariff framework may define permissible fee ranges, pricing considerations, and other parameters deemed necessary to promote transparency, fairness, and market consistency.

CHI may publish and periodically review audit tariff guidance to ensure alignment with:

- Market conditions.
- Audit complexity.
- Sample size requirements.
- Regulatory objectives.
- Sustainability of audit services.

Where applicable, tariffs may be provided as approved ranges rather than fixed amounts. Pricing arrangements between certified vendor and healthcare provider shall remain transparent and compliant with applicable CHI requirements.

12. Review and Continuous Improvement

CHI shall periodically review and update this framework to ensure continued alignment with coding standards, reimbursement models, DRG systems, technology advancements, and regulatory requirements.

To support continuous improvement, CHI may obtain feedback from certified auditing vendors, healthcare providers, payers, subject matter experts, and relevant stakeholders within the healthcare sector. The feedback mechanism may include:

- Stakeholder engagement meetings.
- Technical workshops.

- Consultation sessions.
- Surveys and questionnaires.

The information collected shall be evaluated and incorporated, where appropriate, into future revisions of the framework to support effectiveness, transparency, practicality, and continuous improvement of the national clinical coding ecosystem.

13. References

- Council of Health Insurance (CHI). *Medical Coding Audit and Clinical Classification Resources*. Available at: https://www.chi.gov.sa/en/Rules/Pages/ClinicalClassification.aspx
- Council of Health Insurance (CHI) (2025). *Clinical Coding Roadmap*. Available at: https://www.chi.gov.sa/Rules/Education%20Training/CHI%20Coding%20Audit%20CHI%20Roadmap.pdf
- Council of Health Insurance (CHI). *Regulation of Qualification of Claims Management Companies*. Available at: https://www.chi.gov.sa/en/knowledge-center/health-insurance-policies/unified%20policy/Regulation%20of%20qualification%20of%20claims%20management%20companies.pdf
- Department of Health Abu Dhabi (2016). *Clinical Coding Audit Methodology*. Available at: https://www.tasneefba.ae/sites/default/files/Audit_Methodology_2016v4.pdf
- Digital Health and Care Wales (DHCW). *Clinical Coding Audit Methodology*. Available at: https://dhcw.nhs.wales/data/information-standards/clinical-classifications-and-terminology-standards/clinical-coding-audit-programme/clinical-coding-audit-methodology/
- NHS England. *Data Security and Protection Toolkit*. Available at: https://digital.nhs.uk/services/data-security-and-protection-toolkit
- Saudi Data and Artificial Intelligence Authority (SDAIA). Applicable Saudi data governance, privacy, and data protection requirements. Available at: https://www.sdaia.gov.sa