



TEXAS TECH UNIVERSITY SYSTEM™

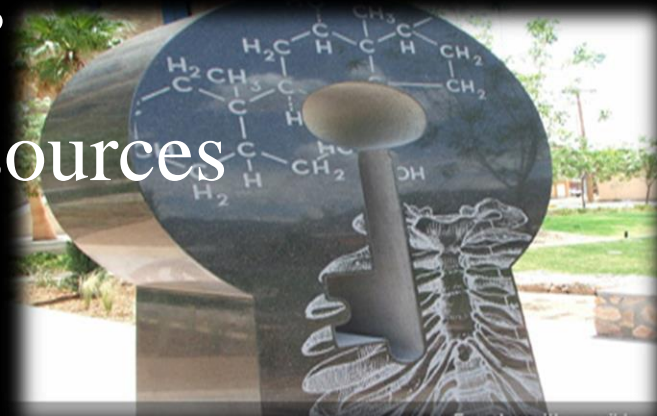
Auditing Medical School Clinical Departments

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Objectives



- Learn common risk areas in a clinical department
- Learn common testing procedures to address those areas
- Discuss reporting considerations
- Review some fraud indicators
- Information about popular resources



Background



- Brief history of TTUHSC-EP
- Significant affiliations
- Oversight offices



Common Risks



- Cash Handling
 - Specific policies
 - *Documented cash control policies/procedures*
 - Manual Receipts or Electronic Receipts
 - *Even if electronic receipting is utilized, need to inquire about manual receipts, e.g. during network outages*



Common Risks Continued



- Cash Handling, continued
 - Cash collections
 - *Collecting correct amount*
 - *Using inaccurate fee sheets*
 - *Change fund, cash counts*
 - Custody /Safeguarding
 - *Same/next day deposits*
 - *Consideration of protection of cashiers*

Common Risks Continued



- Revenues/Billing
 - In General:
 - *Accuracy/completeness of claim*
 - *Does medical record support billing*
 - Billing Compliance audits
 - *Very specific requirements*
 - *consider skill level when reviewing this area*
 - *Billing compliance office is performing these reviews*

Common Risks Continued



- Revenues/Billing, consider instead
 - Failure to generate a charge/bill for services rendered
 - More specific risks may vary by location
 - *Main campus clinics/locations – de-/centralized billing*
 - In a manual environment – failure to provide complete “fee sheets”, “progress notes”, “orders” to billers for processing
 - In an EMR environment – above risk is lower because billers can access these themselves
 - For both, timeliness is a consideration
 - *Off-site locations*
 - *Procedures performed at other institutions/entities*
 - Electronic Medical Record/Electronic Medical Billing interphase

Common Risks Continued



- Revenues/Billing,
 - More specific risks may vary by location
 - *Off-site locations*
 - Risks may vary depending on EMR vs. manual medical record environment
 - If EMR not in place, clinic could be making appointments, maintaining paper charts, and collecting payments unknown to main campus
 - Is billing done off-campus – how is the accuracy of the billing ensured, who else is reviewing, are off-campus physicians compensated any differently than on-campus?
 - Is billing done at central location on-campus – central location might not receive all of the “fee sheets”
 - *Procedures performed at other institutions/entities*

Common Risks Continued



- Revenues/Billing,
 - More specific risks may vary by location
 - *Procedures performed at other institutions/entities*
 - Procedures may be performed without knowledge of billers/coders
 - Under MSA – less likely because this is a larger volume and there are usually more controls in place to mitigate the risks
 - Not part of MSA –
 - Volume is much smaller and may go unnoticed
 - Physician may perform “complimentary” procedures
 - Violation of Faculty Practice Plan Bylaws

Common Risks Continued



- Revenues/Billing,
 - Electronic Medical Record/Electronic Medical Billing interface
 - *Edits not working properly*
 - *Information not received accurately*

Common Risks Continued



- Contracting
 - Revenue Generating Contracts
 - *Types:*
 - Masters Service Agreement
 - Providing services to outside entities
 - *Risks*
 - Failure to bill/collect for services performed
 - Failure to record the accounts receivable
 - Untimely collections

Common Risks Continued



- Contracting
 - Expenditure contracts - Receiving services from outside entities
 - *Failure to pay invoices timely*
 - *Paying inaccurate invoices – are they reviewed for accuracy or compared against internal documentation (e.g. schedules)*
 - *How is the billing for services handled?*

Common Risks Continued



- Contracting
 - Other risks
 - *Failure to obtain appropriate approvals*
 - *Failure to formalize agreements (verbal only)*
 - *Payment terms may be outdated, need to be revised*
 - Contracts on auto-renewal need to be periodically reviewed.
 - *Not terminating contracts that are no longer needed or valid*

Common Risks Continued



- Research
 - Sponsored Programs
 - *Allowability of Expenditures*
 - *Effort Reporting*
 - *Standard grant risks*
 - Clinical trials
 - *Payments to participants*
 - *Double Billing*
 - *Protection of Human Subjects*

Common Risks Continued



- Compliance
 - HIPAA – Healthcare Insurance Portability and Accountability Act
 - *Privacy rule – focuses on right of individual to control use of his/her personal information*
 - *Security Rule – focuses on administrative, technical, and physical safeguards as they relate to electronic protected health information (PHI)*

Common Risks Continued



- Compliance
 - Health Information Technology for Economic and Clinical Health (HITECH) Act
 - *Part of ARRA*
 - *Promotes adoption and meaningful use of health information technology*
 - *Also addresses privacy and security concerns associated with electronic transmission of health information – these strengthen the civil/criminal enforcement of HIPAA rules.*
 - EMR – Meaningful Use

Common Risks Continued



- Compliance

- EMR – Meaningful Use

- *Medicare/Medicaid EHR Incentive Programs provide financial incentives for the “meaningful use” of certified HER technology to improve patient care
~CMS.gov*
 - *Generally the EMR system will have specific reports that can be run to show that the meaningful use criteria /objectives have been met*
 - *IT often responsible for pulling these reports*

Common Risks Continued



- Compliance - Billing
 - DoJ, OIG, DHHS, state Medicaid fraud control units, etc can bring enforcement actions against healthcare practices
 - Return of payments, formal investigations, prosecution

Common Risks Continued



- Compliance - Billing
 - Monitoring for:
 - *Billing for items/services not rendered*
 - *Submitting claims for supplies and services that are not reasonable/necessary*
 - *Double billing*
 - *Billing for non-covered services*
 - *Failure to properly use coding modifiers*
 - *Clustering*
 - *Upcoding*
 - *Inappropriate balance billing*
 - *Improper reassignment of physician billing numbers*
 - *Failure to refund credit balances*
 - *Billing for services provided by unqualified or unlicensed personnel*

Common Risks Continued



- Compliance -
 - Stark Law
 - *Limitation on physician referrals*
 - *Prohibits physician referrals of certain healthcare services to Medicaid/Medicare patients if the physician or immediate family member has a financial interest in the entity*

Common Risks Continued



- Compliance -
 - Federal Anti-kickback statute
 - Also relates to referrals
 - Prohibits giving, accepting, soliciting or arranging items of value in any form, either directly or indirectly for the purpose of inducing or rewarding another party for referrals of services paid for by a federal government health care program.
 - If one purpose of a payment is to induce future referrals, the statute has been violated

Common Risks Continued



- Compliance -
 - Institutional Compliance Office
 - Should be monitoring for the above mentioned issues

Common Risks Continued



- Specialty Specific Areas

- A few risks we've come across

- *Psychiatry*

- Consultations – how are they documented, communicated, etc;

- *Orthopedics, surgery, Ob/gyn*

- Payment plans – refunds, collection, billing/AR

- *Others...*



Common Audit Objectives



- Cash Handling
 - Determine if cash handling and payment arrangement procedures are in accordance with policies.
 - *Review departmental policies/procedures over cash handling*
 - *Review basic cash controls*
 - Security of safe
 - Change fund/cash counts
 - Segregation of duties
 - *Review if payments are properly collected*
 - Interviewing cashiers
 - Reviewing fee schedules used
 - Reviewing patient visits/encounters and determining if correct payment collected

Common Audit Objectives



- Billing
 - Review the controls and effectiveness of the billing processes for external hospital billing.
 - *Review departmental procedures*
 - *Obtain reports from outside hospital of services rendered by your providers*
 - *Obtain surgery/procedure schedules from clinic staff*

Common Audit Objectives



- Billing
 - Review the controls and effectiveness of the billing processes for off site clinic locations.
 - *Review clinic procedures*
 - *Obtain appointment/schedules and select a sample to determine what services should have been billed*
 - *Determine if services rendered were appropriately billed*

Common Audit Objectives



- Contracting
 - Determine whether the contract monitoring process ensures accurate and timely revenue billing and expenditure payments.
 - *Review contract database and identify all departmental contracts*
 - *Identify payment terms and determine if the department is billing/ being invoiced in accordance with terms. Obtain supporting documentation (physician schedules, timesheets, etc.) to verify accuracy of invoices.*

Common Audit Objectives



- Research
 - For sponsored projects
 - *Review research expenditures*
 - *Review effort certification, etc*
 - For Clinical Trials
 - *Determine if adequate processes are in place to prevent double billing*

Reporting Considerations



- Who gets the report?
 - Chair
 - Vice President Clinical Affairs
 - Dean
 - Others?

Fraud Risks



- Cash Controls
- Off Site clinics
- Other...

Questions

