August 30, 2016

M E M O R A N D U M

TO: Habib Tannir
Executive Director, Clinical Operations and Diagnostic Imaging

George Ninan
Director, Diagnostic Imaging

FROM: Sherri Magnus *Sherri Magnus*
Vice President & Chief Audit Officer

SUBJECT: Charge Capture Assessment – Diagnostic Imaging
Audit Control Number 2016-212

In accordance with our 2016 annual audit plan, we have completed an assessment of charge capture activities for the Division of Diagnostic Imaging (DI) for the period of March 4, 2016 through June 10, 2016. Our objective was to assess whether services provided were captured, recorded appropriately and accurately charged to patient accounts in OneConnect.

> The Division of Diagnostic Imaging consists of 6 departments and centers, which contribute to the prevention and elimination of cancer through patient-centered imaging, research, and education.
>
> DI services resulted in over 183,000 posted charges totaling more than $333 million during the period March through June 2016.

Our limited procedures involved selecting a sample of 25 services, totaling approximately $60,000, to ensure that the services were charged to the patient account. Additionally, we tested a separate sample of 25 patient account charges totaling approximately $97,000, to ensure that they were adequately supported by the medical record.

This assessment was not intended to be a comprehensive audit of controls and processes related to charge capture for the Division, but instead was intended to identify any opportunities for improvement in the charge capture process during the optimization phase of the OneConnect implementation. At the time of this review, Internal Audit was aware of concerns related to OneConnect's workqueues and that charges may be held in queues preventing payment. An in-depth review will be considered in the future to evaluate these risks.

Based on the limited procedures performed, we found that for the selected sample items, charges are for the most part being captured, recorded appropriately, and accurately charged to patient accounts. We did identify an opportunity for improvement related to posting charges to appropriate accounts. Additional details are as follows:

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Observation 1:

Ensure Charges are Appropriately Posted to Patient Accounts   *RANKING: Low*

Institutional Policy requires that all charges are posted in an accurate and timely manner. Our testing revealed that the charge for one (2 percent) of 50 services reviewed was charged to a patient account but was later erroneously deleted.

Per management, this $32,000 charge was deleted with the intention of charging it to a research protocol in which the patient was a participant. It was subsequently determined that the charge was not covered by the protocol; however, the service was never re-charged to the patient's account.

When services are performed but not accurately charged, there is an increased risk of lost revenue.

Recommendation

Management should ensure that charges are posted to patient accounts or research protocol accounts as appropriate. Specifically, management should strengthen controls for deletions to ensure that when a charge is deleted, the action is appropriate.

Management's Action Plan

Responsible Executive: Thomas Buchholz, MD
Owner: George Ninan
Due Date: 1/31/2017

Diagnostic Imaging Division's plan is to work with finance and operations leaders to enhance current monitoring systems to review and capture reversals and credits especially in cases of clinical research studies and review for appropriateness. DI will improve revenue capture by ensuring review and monitoring of the department's Revenue and Usage report by responsible parties.

SM/rbr

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