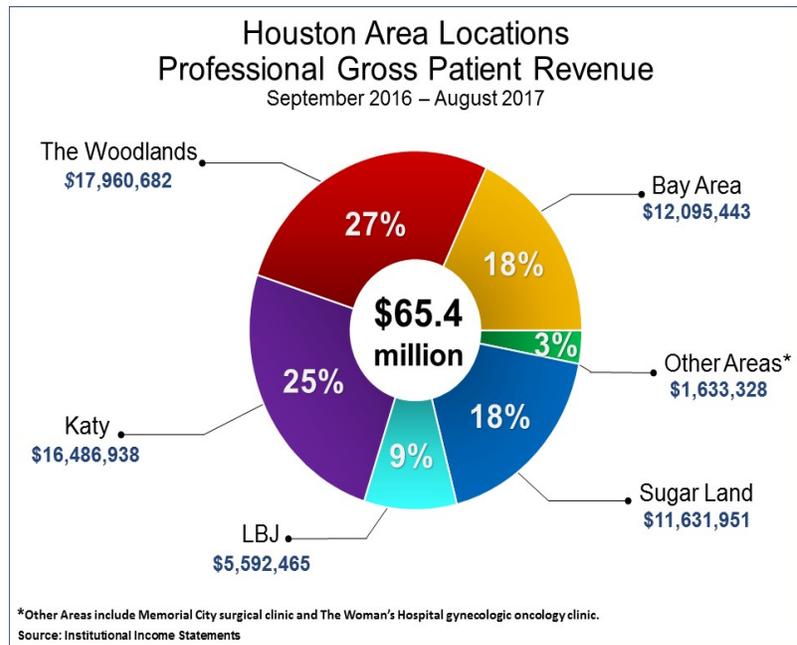


17-101 Charge Capture – Houston Area Locations

EXECUTIVE SUMMARY

The Houston Area Locations (HALs) are four community-based, multidisciplinary practice extensions of the University of Texas MD Anderson Cancer Center. HALs providers serve patients within the locations and at several community hospitals, including Lyndon B. Johnson General Hospital (LBJ). They generated approximately \$65.4 million in professional gross patient revenue during the period of September 2016 through August 2017.

Internal Audit conducted a review to determine whether professional charges were captured for services rendered by the HALs providers.



Overall, we concluded that professional charges were generally captured and billed to patients' accounts; however, we identified various opportunities for improvement. We noted that processes are in place to review open encounters and charges for surgeries performed at community hospitals. However, the lack of a reconciliation process for all charges may have impacted the overall accuracy, completeness, and timeliness of professional charges captured and billed. Additionally, we noted the following:

- Established patient visits were periodically coded as new patient visits, resulting in potential overcharges to patients' accounts of \$26,232.
- Clinical documentation did not support 25 of the 101 (25%) consultation visits reviewed, resulting in inappropriate charges of \$12,000 billed to patients' accounts.
- Charges were not captured and posted for 86 visits even though the services were documented in the patients' records. Although this number represents a small percentage of total visits at the HALs for the audit period, we were unable to determine the potential lost revenue.
- The Epic workqueues had more than \$28,000 in charges pending review and subsequent posting to the patients' accounts as of September 2017. While these charges are billable after review, the institution may not receive payment outside of filing deadlines.
- As of September 2017, there were more than 400 open encounters relating to professional charges. While this number represents less than one percent of the encounters for the year, billing cannot occur until the encounters are closed. We are unable to determine the lost revenue to the institution.

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There were 57 missed charges for radiation oncology services rendered at the HALs. In addition, at the beginning of the audit, there were 684 radiation oncology charges in workqueues, totaling approximately \$410,000 and dating back to May 2016. The majority (88%) of the charges were in a workqueue owned by the Radiation Oncology Department, and the remaining charges were in workqueues owned by HALs Administration. Once we notified management of these pending transactions, the departments resolved the charges. However, due to the untimeliness of the resolution, the institution may not collect the respective payments.

While this audit focused only on *professional* charge capture, we provided management with FY 2017 data related to **professional** and **hospital** denials for the HALs. These denials totaled approximately \$52 million and could result in lost or delayed revenue for the Institution. This represents 9% of the \$570.8 million in professional and hospital gross patient revenue for the HALs. Details related to the denials were provided to management in a separate memo.

On behalf of Institutional Compliance, Internal Audit performed additional work related to the Decision for Surgery modifier. The results were provided to Institutional Compliance under separate cover.

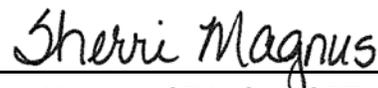
Additional details related to our work are outlined in the **Detailed Observations** section below.

Management's Summary Response:

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before May 31, 2018.

Appendix A outlines the methodology for this project.

The courtesy and cooperation extended by the personnel in the Houston Area Locations are sincerely appreciated.



Sherri Magnus, CPA, CIA, CFE, CRMA
Vice President & Chief Audit Officer
February 8, 2018

DETAILED OBSERVATIONS

HALs ADMINISTRATION

Administration for the HALs is located at the main campus and supports the centers by providing oversight and guidance related to research activities, centralized billing, collection, reimbursement, and accounting services. This includes processes for ensuring complete and accurate charge capture for services rendered by the HALs providers. This does not include billing and charge reconciliations for radiation oncology services at the HALs, as these processes are the responsibility of the Radiation Oncology Department.

Observation 1:**Reconcile HALs Charges****RANKING: Medium**

While charge reconciliation occurs for surgeries performed at community hospitals, reconciliations do not occur for professional services performed at the HALs. Management has acknowledged the need for reconciliations and indicated that the lack of staffing has prevented the process from consistently occurring. Institutional policy requires daily charge reconciliations by staff in patient revenue generating areas. Without proper reconciliation, missing or inaccurate charges may not be detected and corrected timely, resulting in lost revenue for the Institution or overbilling to patient accounts, as indicated in the observations for each of the locations.

Recommendation:

Management should enhance processes to ensure charges for all services rendered at the HALs are reconciled in accordance with institutional policy.

Management's Action Plan:

Owner: Kay Ingalls

Due Date: March 1, 2018

HALs Administration will coordinate with the EHR team to develop and implement a daily reconciliation process to ensure charges are captured for all services rendered. In the meantime, HALs Administration will review an encounter charge reconciliation report for pending and posted charges.

Observation A-2:**Resolve Charges in Epic Workqueues Timely****RANKING: Low**

As of March 2017, there were 277 charges in the workqueues, with the oldest charge dating back to November 2016. As of September 2017, there were 178 charges in the Epic charge review workqueues, totaling approximately \$28,000. The oldest item had been in the workqueue for 22 days. While these charges were captured, they will not post to patients' accounts until issues related to the charges are resolved. Although we determined that management appears to be working the charges in the workqueues, institutional policy requires charges to be posted no later than 48 hours after the services are rendered. Untimely resolution of items in the workqueues, allowing charges to be billed, could result in lost revenue for the Institution.

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Recommendation:

Management should ensure that workqueue charges are promptly resolved to facilitate billing for services provided.

Management's Action Plan:

Owner: Kay Ingalls

Due Date: Implemented

Each work queue will be reviewed on a daily basis to resolve edits and post the related charges.

Observation A-3:**Allocate Charges to Correct Locations****RANKING: Low**

Based on our discussions with management, there is currently no process to ensure the Epic profiles for the HALs providers align with their assigned location and that revenue is correctly allocated. As a result, charges totaling \$33,683 for services performed at the HALs were incorrectly allocated to other departments within the institution. In addition, two charges totaling \$1,517 were erroneously allocated to the wrong HAL.

While these errors did not result in lost revenue for the Institution, institutional policy requires that all professional charges be posted to the correct billing area. When this does not occur, departments' revenues reported may be inaccurate.

Recommendation:

Management should improve processes to ensure HALs charges are allocated to the correct locations where the services were provided.

Management's Action Plan:

Owner: Kay Ingalls

Due Date: Implemented

A process is in place whereby the HALs credentialing specialist and mid-level supervisors notify HALs Administration when provider locations change and new providers are added. Monthly, billing areas are also reviewed by HALs Administration.

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THE WOODLANDSObservation B-1:**Ensure Patient Visits Are Billed Appropriately****RANKING: Medium**

Established patient visits were periodically coded as new patient visits, resulting in potential overcharges. Testing revealed that 75 charges at the Woodlands HAL, were coded as new patient visits but did not meet the criteria. This may have resulted in overbilling to patients' accounts of \$7,667. The Centers for Medicare and Medicaid Services (CMS) defines a new patient to be one who has not received any professional services from a physician of the same specialty within the past three years.

Recommendation:

The Woodlands HAL should implement a process to ensure patient visits are appropriately billed as new or established patient visits accordingly. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Cynthia Frazee

Due Date: May 31, 2018

HALs Administration has confirmed that after the OneConnect upgrade, an edit will be implemented in the system to review new patient charges. In the interim, HALs Administration will review new patient visits for appropriate charges and coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation B-2:**Bill Consults Appropriately****RANKING: Medium**

During the period of September 2016 through February 2017, the Woodlands HAL billed 408 consultation visits. Eight of the 25 consults tested, or 32%, did not meet the criteria for a consult, resulting in inaccurate charges of \$3,734 billed to the patient accounts. To be billed as a consult, the patient must be seen by a provider from a different specialty. In addition, the clinical documentation did not contain all elements required by institutional policy, including, but not limited to, the name of referring provider and a professional opinion by the billing provider.

HALs Administration recognized a need for education in this area and coordinated with Institutional Compliance to provide guidance to the HALs on proper billing for consults.

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Recommendation:

We recommend the Woodlands HAL coordinate with HALs Administration to implement training and process improvements to ensure consults are billed appropriately. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Cynthia Frazee

Due Date: March 1, 2018

Provider education was presented to Woodland's physicians by MDA's compliance department along with our HALs management team on appropriate consult billing on 4/27/17. The reconciliation report from the HALs Administration analyst will include review of consult visits for appropriate charges. HALs Administration will coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation B-3:**Close Encounters Timely****RANKING: Low**

As of September 2017, 51 of the total 64,307 encounters for the period were open for the Woodlands. Management and physicians appear to be making a concerted effort to monitor encounters, ensuring timely closure. Potential revenue for these encounters could not be quantified, because billing cannot occur until the encounters are closed.

Per institutional policy, providers should close encounters the same day, or within 48 hours after the patients are seen. Failure to close encounters timely could result in lost revenue.

Recommendation:

The Woodlands HAL should continue to monitor encounters, ensuring compliance with institutional policy regarding timely closure of encounters.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Cynthia Frazee

Due Date: Implemented

HALs Administration will continue to monitor the encounter reconciliation reports and send emails to all physicians with encounters open more than 48 hours on weekly basis. Center Administrative Directors also view Epic Dashboard reports for open encounters and encourage providers to close encounters within institutional required timelines.

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Observation B-4:**Schedule Chemotherapy Visits Appropriately****RANKING: Low**

Patients must be medically cleared prior to chemotherapy treatment, and these visits are scheduled based on physician orders. According to HALs Administration, these should be scheduled as *chemotherapy clearance* visits. Based on our discussions with management and review of appointment data, the Woodlands HAL does not consistently use the chemotherapy clearance visit type. When the appropriate visit type is not indicated on the patient's schedule, it may be difficult for the provider to adequately prepare for the visit, in terms of the time needed to see the patient and the specific services to be provided.

Recommendation:

The Woodlands HAL should coordinate with HALs Administration to provide education and training to ensure chemotherapy clearance visits are ordered and scheduled appropriately.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Cynthia Frazee

Due Date: May 31, 2018

HALs Administration will continue to coordinate with the EHR team to ensure the consistent and appropriate functionality of the chemotherapy clearance visit type. Then, HALs Administration will provide education and training to the locations on the use of this visit type.

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KATYObservation C-1:**Capture Charges for Services Rendered****RANKING: Medium**

During FY 2017, 71 chemotherapy clearance visits were missing the related professional charge. According to management, this type of visit generally requires both a professional and technical charge. In addition, there were four completed appointments without related charges, including two surgeries at community hospitals. According to institutional policy, charges must be posted accurately and timely for services rendered.

Recommendation:

The Katy HAL should implement a process to ensure charges are billed for all services rendered.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Christopher LeGette

Due Date: March 1, 2018

HALs administration will perform a daily reconciliation to ensure charges are captured for all services rendered.

With regard to the chemotherapy clearance visits, HALs Administration will continue to coordinate with the EHR team to ensure the consistent and appropriate functionality of this visit type. Then, HALs Administration will provide education and training to the locations on the use of the visit type. Meanwhile, the clinical support encounter type is now included in HALs Administration's review of daily charges to ensure appropriate charge capture for any chemotherapy clinic visits that convert to this encounter type within the system.

Observation C-2:**Ensure Patient Visits Are Billed Appropriately****RANKING: Medium**

Established patient visits were periodically coded as new patient visits, resulting in potential overcharges. Testing revealed that 90 charges at the Katy HAL, were coded as new patient visits but did not meet the criteria. This may have resulted in overbilling to patients' accounts of \$7,433. The Centers for Medicare and Medicaid Services (CMS) defines a new patient to be one who has not received any professional services from a physician of the same specialty within the past three years.

Recommendation:

The Katy HAL should implement a process to ensure patient visits are appropriately billed as new or established patient visits accordingly. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

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Management's Action Plan:

Owner: Kay Ingalls

Observer: Christopher LeGette

Due Date: May 31, 2018

HALs Administration has confirmed that after the OneConnect upgrade, an edit will be implemented in the system to review new patient charges. In the interim, HALs Administration will review new patient visits for appropriate charges and coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation C-3:**Bill Consults Appropriately****RANKING: Medium**

During the period of September 2016 through February 2017, the Katy HAL billed 408 consultation visits. Five of the 25 consults tested, or 20%, did not meet the criteria for a consult, resulting in inaccurate charges of \$2,723 billed to the patient accounts. To be billed as a consult, the patient must be seen by a provider from a different specialty. In addition, the clinical documentation did not contain all elements required by institutional policy, including, but not limited to, the name of referring provider and a professional opinion by the billing provider.

HALs Administration recognized a need for education in this area and coordinated with Institutional Compliance to provide guidance to the HALs on proper billing for consults.

Recommendation:

We recommend the Katy HAL coordinate with HALs Administration to implement training and process improvements to ensure consults are billed appropriately. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Christopher LeGette

Due Date: March 1, 2018

Provider education on appropriate consult billing, which was developed by MDA's Compliance department, was provided to HALs physicians in April 2017. The reconciliation report from the HALs Administration analyst will include review of consult visits for appropriate charges. HALs Administration will coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

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Observation C-4:**Close Encounters Timely****RANKING: Low**

As of September 2017, 79 of the total 64,659 encounters for the period were open for Katy. Management and physicians appear to be making a concerted effort to monitor and close encounters. The majority of the open encounters are attributable to one provider, who has encounters dating back to June 2017. Potential revenue for these encounters could not be quantified, because billing cannot occur until the encounters are closed.

Per institutional policy, providers should close encounters the same day, or within 48 hours after the patients are seen. Failure to close encounters timely could result in lost revenue.

Recommendation:

The Katy HAL should continue to monitor encounters, ensuring compliance with institutional policy regarding timely closure of encounters. HALs Administrations should determine whether escalation processes should be implemented for the specific provider highlighted during this review.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Christopher LeGette

Due Date: Implemented

HALs Administration will continue to monitor the encounter reconciliation reports and send emails to all physicians with encounters open more than 48 hours on weekly basis. Center Administrative Directors also view Epic Dashboard reports for open encounters and encourage providers to close encounters within institutional required timelines.

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BAY AREAObservation D-1:**Ensure Patient Visits Are Billed Appropriately****RANKING: Medium**

Established patient visits were periodically coded as new patient visits, resulting in potential overcharges. Testing revealed that 65 charges at the Bay Area HAL, were coded as new patient visits but did not meet the criteria. This may have resulted in overbilling to patients' accounts of \$6,621. The Centers for Medicare and Medicaid Services (CMS) defines a new patient to be one who has not received any professional services from a physician of the same specialty within the past three years.

Institutional policy requires all services to be appropriately billed to patients. Incorrect coding of patient visits could result in overbilling of patient accounts and potential refunds to patients.

Recommendation:

The Bay Area HAL should implement a process to ensure patient visits are appropriately billed as new or established patient visits accordingly. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

Management's Action Plan:

Owner: Kay Ingalls

Observer: LaCrista Edwards

Due Date: May 31, 2018

HALs Administration has confirmed that after the OneConnect upgrade, an edit will be implemented in the system to review new patient charges. In the interim, HALs Administration will review new patient visits for appropriate charges and coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation D-2:**Bill Consults Appropriately****RANKING: Medium**

During the period of September 2016 through February 2017, Bay Area HAL billed 282 consultation visits. Four of the 26 consults tested, or 15%, did not meet the criteria for a consult, resulting in inaccurate charges of \$2,248 billed to the patient accounts. To be billed as a consult, the patient must be seen by a provider from a different specialty. In addition, the clinical documentation did not contain all elements required by institutional policy, including, but not limited to, the name of referring provider and a professional opinion by the billing provider.

HALs Administration recognized a need for education in this area and coordinated with Institutional Compliance to provide guidance to the HALs on proper billing for consults.

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Recommendation:

We recommend the Bay Area HAL coordinate with HALs Administration to implement training and process improvements to ensure consults are billed appropriately. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

Management's Action Plan:

Owner: Kay Ingalls

Observer: LaCrista Edwards

Due Date: March 1, 2018

Provider education on appropriate consult billing, which was developed by MDA's Compliance department, was provided to HALs physicians in April 2017. The reconciliation report from the HALs Administration analyst will include review of consult visits for appropriate charges. HALs Administration will coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation D-3:

Capture Charges for Services Rendered

RANKING: Medium

Charges were not posted for two surgeries performed by Bay Area providers at community hospitals. Potential revenue associated with these surgeries could not be accurately quantified since the surgeries were not coded. Institutional policy requires charges to be posted accurately and timely.

Recommendation:

The Bay Area HAL should implement a reconciliation process to ensure charges are billed for all completed appointments.

Management's Action Plan:

Owner: Kay Ingalls

Observer: LaCrista Edwards

Due Date: Implemented

The Surgery Audit Tool will continue to be reviewed daily and physicians are notified regarding open encounters on the second day. Surgery coders send requests when they need additional information and our team provides communication to the physician to be sure requests are completed in a timely manner.

Observation D-4:

Close Encounters Timely

RANKING: Low

As of September 2017, 232 of the total 51,409 encounters for the period were open for Bay Area. Management and physicians appear to be making a concerted effort to monitor and close encounters. Many of the open encounters are attributable to one provider. Potential revenue for these encounters could not be quantified, because billing cannot occur until the encounters are closed.

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Per institutional policy, providers should close encounters the same day, or within 48 hours after the patients are seen. Failure to close encounters timely could result in lost revenue.

Recommendation:

The Bay Area HAL should continue to monitor encounters, ensuring compliance with institutional policy regarding timely closure of encounters. HALs Administrations should determine whether escalation processes should be implemented for the specific provider highlighted during this review.

Management's Action Plan:

Owner: Kay Ingalls

Observer: LaCrista Edwards

Due Date: Implemented

HALs Administration will continue to monitor the encounter reconciliation reports and send emails to all physicians with encounters open more than 48 hours on weekly basis. Center Administrative Directors also view Epic Dashboard reports for open encounters and encourage providers to close encounters within institutional required timelines.

Observation D-5:

Schedule Chemotherapy Visits Appropriately

RANKING: Low

Patients must be medically cleared prior to chemotherapy treatment, and these visits are scheduled based on physician orders. According to management and HALs Administration, these should be scheduled as *chemotherapy clearance* visits. Based on our discussions with management and review of appointment data, the Bay Area HAL does not consistently use the chemotherapy clearance visit type. When the appropriate visit type is not indicated on the patient's schedule, it may be difficult for the provider to adequately prepare for the visit, in terms of the time needed to see the patient and the specific services to be provided.

Recommendation:

The Bay Area HAL should coordinate with HALs Administration to provide education and training to ensure chemotherapy clearance visits are ordered and scheduled appropriately.

Management's Action Plan:

Owner: Kay Ingalls

Observer: LaCrista Edwards

Due Date: May 31, 2018

HALs Administration will continue to coordinate with the EHR team to ensure the consistent and appropriate functionality of the chemotherapy clearance visit type. Then, HALs Administration will provide education and training to the locations on the use of this visit type.

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SUGAR LANDObservation E-1:**Ensure Patient Visits Are Billed Appropriately****RANKING: Medium**

Established patient visits were periodically coded as new patient visits, resulting in potential overcharges. Testing revealed that 54 charges at the Sugar Land HAL, were coded as new patient visits but did not meet the criteria. This may have resulted in overbilling to patients' accounts of \$4,511. The Centers for Medicare and Medicaid Services (CMS) defines a new patient to be one who has not received any professional services from a physician of the same specialty within the past three years.

Recommendation:

The Sugar Land HAL should implement a process to ensure all patient visits are billed appropriately. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Caitlin Byler

Due Date: May 31, 2018

HALs Administration has confirmed that after the OneConnect upgrade, an edit will be implemented in the system to review new patient charges. In the interim, HALs Administration will review new patient visits for appropriate charges and coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation E-2:**Bill Consults Appropriately****RANKING: Low**

During the period of September 2016 through February 2017, Sugar Land HAL billed 361 consultation visits. Eight of the 25 consults tested, or 32%, did not meet the criteria for a consult, resulting in inaccurate charges of \$3,254 billed to the patient accounts. To be billed as a consult, the patient must be seen by a provider from a different specialty. In addition, the clinical documentation did not contain all elements required by institutional policy, including, but not limited to, the name of referring provider and a professional opinion by the billing provider.

HALs Administration recognized a need for education in this area and coordinated with Institutional Compliance to provide guidance to the HALs on proper billing for consults.

Recommendation:

We recommend the Sugar Land HAL coordinate with HALs Administration to implement training and process improvements to ensure consults are billed appropriately. In addition, we recommend that HALs Administration coordinate with Patient Business Services and Institutional Compliance to determine whether or to what extent the potential overcharges have resulted in an actual refund obligation to payors or patients.

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Management's Action Plan:

Owner: Kay Ingalls

Observer: Caitlin Byler

Due Date: March 1, 2018

Provider education on appropriate consult billing, which was developed by MDA's Compliance department, was provided to HALs physicians in April 2017. The reconciliation report from the HALs Administration analyst will include review of consult visits for appropriate charges. HALs Administration will coordinate with Patient Business Services and Institutional Compliance to determine any additional actions to be taken.

Observation E-3:**Capture Charges for Services Rendered****RANKING: Low**

Charges were not posted for five appointments at the Sugar Land HAL, even though provider documentation confirmed the appointments were completed. One completed appointment was for a surgery that was never coded. Potential revenue associated with these appointments could not be accurately quantified since charge capture did not occur. Institutional policy requires charges to be posted accurately and timely.

Recommendation:

The Sugar Land HAL should implement a process to ensure charges are billed for all completed appointments.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Caitlin Byler

Due Date: March 1, 2018

HALs Administration will coordinate with the EHR team to develop and implement a daily reconciliation process to ensure charges are captured for all services rendered. In the meantime, HALs Administration will review an encounter charge reconciliation report for pending and posted charges.

Observation E-4:**Close Encounters Timely****RANKING: Low**

As of September 2017, 76 of the total 45,210 encounters for the period were open for Sugar Land. Management and physicians appear to be making a concerted effort to monitor encounters, ensuring timely closure. Potential revenue for these encounters could not be quantified, because billing cannot occur until the encounters are closed.

Per the institutional policy, providers should close encounters the same day, or within 48 hours after the patients are seen. Failure to close encounters timely could result in lost revenue.

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Recommendation:

The Sugar Land HAL should continue to monitor encounters, ensuring compliance with institutional policy regarding timely closure of encounters.

Management's Action Plan:

Owner: Kay Ingalls

Observer: Caitlin Byler

Due Date: Implemented

HALs Administration will continue to monitor the encounter reconciliation reports and send emails to all physicians with encounters open more than 48 hours on weekly basis. Center Administrative Directors also view Epic Dashboard reports for open encounters and encourage providers to close encounters within institutional required timelines.

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RADIATION ONCOLOGY

Our review of charge capture for professional services rendered at the HALs included radiation oncology services. Financial accountability and oversight for charge capture related to these services rests with HALs Administration. However, the Institution's Radiation Oncology Department is responsible for reconciling charges, closing encounters, and resolving errors in Epic's charge review workqueues to facilitate charge capture. Although we noted the Department has a charge review and reconciliation process in place, we identified opportunities to improve the processes to ensure charges for radiation oncology services at the HALs are captured.

Observation F-1:**Resolve Radiation Oncology Charges in Workqueues****RANKING: Medium**

All radiation oncology charges in the Epic workqueues had not been resolved in order to post to patients' accounts. As of March 2017, there were 684 radiation oncology charges in the workqueues, which totaled \$410,458. The majority (88%) of the charges were in a workqueue owned by the Radiation Oncology Department and the remaining charges were in workqueues owned by HALs Administration. Twenty-four percent of these charges were older than 180 days and the related revenue may not likely be collected. After our discussions with management, the majority of these items were cleared from the workqueues. Although the 68 remaining items in the Radiation Oncology workqueue had \$0 charges, a review of these items is necessary to ensure accurate charges are posted, as appropriate.

The Charge Submission and Reconciliation Policy requires charges to be posted accurately and timely. Failure to resolve items in the charge review workqueues could result in lost revenue for the Institution.

Recommendation:

Management should promptly resolve workqueue charges to facilitate billing for services provided.

Management's Action Plan:

Owner: Joy Godby

Due Date: Implemented

Management will continue to review each work queue on daily basis to ensure charges are captured, as appropriate.

Observation F-2:**Capture Charges for All Radiation Oncology Services****RANKING: Medium**

Charges were not posted for 49 radiation simulations and 8 weekly management services due to lack of documentation by HALs providers. Potential revenue for these services totaled \$49,720. The majority (95%) of the services occurred more than 30 days prior to our review, which reduces the likelihood that the charges will be paid. The Charge Submission and Reconciliation Policy requires all charges to be posted in an accurate and timely manner, and failure to comply could result in lost revenue for the Institution.

Please note that this document contains information that may be confidential and/or exempt from public disclosure under the Texas Public Information Act. Before responding to requests for information or providing copies of these documents to external requestors pursuant to a Public Information Act or similar request, please contact the University of Texas MD Anderson Cancer Center Internal Audit Department.

Recommendation:

Management should improve processes to ensure provider documentation and charge capture for all radiation oncology services at the HALs.

Management's Action Plan:

Owner: Joy Godby

Due Date: Implemented

On a daily basis, the billing specialist will continue to monitor and send email reminders to all physicians with missing or incomplete documentation. The coordinator of education in Radiation Oncology will continue to provide ongoing education, as necessary, to ensure and encourage providers to submit documentation within institutional required timelines.

Observation F-3:

Close Encounters Timely

RANKING: Low

As of September 2017, 78 of the total 30,644 encounters were open for Radiation Oncology. Management and physicians appear to be making a concerted effort to monitor encounters, ensuring timely closure. The majority of the open encounters are attributable to one provider. Potential revenue for these encounters could not be quantified, because billing cannot occur until the encounters are closed.

Per the Charge Submission and Reconciliation Policy, providers should close encounters the same day, or within 48 hours after the patients are seen. Failure to close encounters timely could result in lost revenue.

Recommendation:

Radiation Oncology should continue to monitor encounters, ensuring compliance with institutional policy regarding timely closure of encounters.

Management's Action Plan:

Owner: Joy Godby and Kay Ingalls

Due Date: Implemented

HALs Administration will continue to monitor the encounter reconciliation reports and send emails to all physicians with encounters open more than 48 hours on weekly basis. HALs Administrative Directors will also view Epic Dashboard reports for open encounters and encourage providers to close encounters within institutional required timelines. In addition, Radiation Oncology management will collaborate with HALs Administration to review work queues on a daily basis to resolve edits and post the related charges.

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LYNDON B. JOHNSON GENERAL HOSPITAL (LBJ)Observation G-1:**Capture and Reconcile LBJ Professional Charges****RANKING: Medium**

Charges for services rendered by HALs providers at the Lyndon B. Johnson General Hospital (LBJ) were not consistently captured and billed to patients. Specifically, one physician does not enter his charges directly into the Epic system, necessitating the manual entry of the charges by HALs Administration staff which resulted in missed charges. In addition, charges transferred from LBJ's system to MD Anderson through a nightly feed are not reconciled to ensure all services rendered have been captured in the Epic system.

Institutional policy requires all charges to be reconciled to ensure accuracy for services rendered to each patient. Without proper reconciliation, there is no way to ensure services are billed accurately. As a result, missing or inaccurate charges may not be detected and corrected in a timely manner, resulting in lost revenue for the Institution.

Recommendation:

HALs management should ensure charges for all professional services rendered at the LBJ Hospital are consistently captured and reconciled in accordance with institutional policy.

Management's Action Plan:

Owner: Kay Ingalls

Due Date: March 1, 2018

HALs Administration implemented a process to reconcile LBJ appointments to posted charges and will continue to perform these reconciliations. In addition HALs Administration will request a review by the LBJ IT Department to ensure all providers' charges are included in the nightly feed.

Observation G-2:**Correct the LBJ Charge Data Feed****RANKING: Medium**

The LBJ nightly charge feed includes charges that do not belong to MD Anderson. As such, HALs Administration is receiving patient information without a legitimate business need. The Institution's Confidentiality Policy states data is to be disclosed only to those persons with a professional need-to-know. Extraneous information in the LBJ charge data feed jeopardizes confidentiality and increases the risk of improper disclosure of the information, and increases the risk of charge capture errors.

Recommendation:

Management should coordinate with LBJ to ensure the nightly feed includes only MD Anderson charges posted by the HALs. The feed should not include any extraneous providers or patient information.

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Management's Action Plan:

Owner: Kay Ingalls

Due Date: Implemented

HALs Administration notified UT Health, and the physician's employer tax ID number was changed to the appropriate entity. As such, the individual's information no longer appears on the LBJ feed to MD Anderson.

Observation G-3:**Ensure Teaching Modifier Is Used as Required****RANKING: Medium**

We identified instances when providers did not include the appropriate teaching modifier, also known as the GC modifier, on charges for services rendered with a fellow or resident present. As required by Centers for Medicare and Medicaid Services (CMS), this modifier should be used to whenever a service has been performed in part by a resident under the direction of a teaching physician. The Institutional Charge Submission and Reconciliation Policy cites modifiers as an essential data element for charge capture.

While the providers are responsible for placing modifiers on charges, the HALs staff also reviews charges before they are billed out to patients, which could help ensure that modifiers are applied correctly. When the GC modifier is not used as required, there is no evidence that the Institution has complied with CMS guidelines.

Recommendation:

HALs Administration should educate providers to ensure they are aware of when to place modifiers on charges. In addition, the LBJ charge review process should be improved to ensure the teaching, or GC, modifier is placed on all charges, as appropriate.

Management's Action Plan:

Owner: Kay Ingalls

Due Date: Implemented

HALs Administration has informed the LBJ providers about the use of the GC modifier. In addition, HALs Administration has required the clinical billing specialist to review each charge for appropriate use of the modifier. HALs Administration has also sent email reminders about the GC modifier to the institutional surgery coders.

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Appendix A

Objective, Scope and Methodology:

The objective of this review was to ensure that charges for professional services rendered the community hospitals, respective Houston Area Locations (HALs), and MD Anderson main campus were accurately captured and billed to patients' accounts. Testing periods varied based upon the area or process reviewed; however, all selected transactions occurred between September 2016 and July 2017.

Our methodology included the following procedures:

- Interviewed key personnel and reviewed relevant organizational policies.
- Gained an understanding of processes for ensuring accurate posting and timely reconciliation of professional charges.
- Visited the Houston Area Locations to conduct interviews and better understand the organizational structures and processes.
- Analyzed professional charge data to identify and follow-up on potential missed charges, including services not billed and charges allocated to the wrong billing areas.
- Reviewed documentation to determine whether all charges were reconciled as required.
- Performed aging analyses of open encounters and charges in Epic workqueues to determine the timeliness of management's corrective actions related to those items.
- Tested consults and co-managed visits to determine whether the services were billed correctly based on provider documentation in Epic.
- Analyzed billing claims denials for the HALs to identify trends.
- Reviewed new patient visit reports to determine if all visits met the criteria for being coded as new patients.
- Reviewed the Radiation Oncology Business Services database that is used to track potential missed radiation oncology charges.
- Tested Radiation Oncology scheduled visits to ensure charges were posted as required.

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Number of Priority Findings to be monitored by UT System: None

A Priority Finding is defined as “an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.”