



**UT Health RGV Rheumatology Clinical Operations Audit**

**Report No. 18-RBA-03**

**May 30, 2019**

**Office of Audits & Consulting Services**

May 30, 2019

Dr. Guy Bailey, President  
The University of Texas Rio Grande Valley  
2102 Treasure Hills Blvd., Suite 3.115  
Harlingen, TX 78550

Dear Dr. Bailey,

The Office of Audits & Consulting Services has completed the UT Health RGV Rheumatology Clinical Operations Audit as part of our fiscal year 2019 Audit Plan. The objective of this audit was to determine if the UT Health Rheumatology Clinic adhered to revenue cycle policies and procedures set forth in the school of Medicine's Ambulatory Policies and Procedures Manual.

This audit was conducted in accordance with The University of Texas System's (UTS) Policy 129 *Internal Audit Activities*, the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Generally Accepted Government Auditing Standards (GAGAS)*. The *Standards and GAGAS* set criteria for internal audit departments in the areas of independence, professional proficiency, scope and performance of audit work, and management of audits. We are required to adhere to these *Standards* and UTS 129.

We concluded that the UT Health RGV Rheumatology clinical operations did not adhere to all policies and procedures set forth in the School of Medicine's Ambulatory Policies and Procedures Manual.

The recommendations in this report represent, in our judgment, those most likely to provide a greater likelihood that management's objectives are achieved. Implementation of the recommendations will strengthen and improve processes of the Rheumatology Clinic revenue cycle.

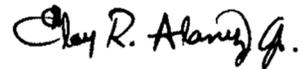
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We appreciate the assistance provided by UTRGV's management and other personnel. We hope the information and analyses presented in our report are helpful.

Sincerely,



Eloy R. Alaniz, Jr., CPA, CIA, CISA  
Chief Audit Officer

cc: Dr. John H. Krouse, Executive Vice President for Health Affairs and Dean of the School of Medicine  
Michael Patriarca, Sr. Associate Vice President for Health Affairs and Executive Vice Dean of the School of Medicine  
UTRGV Internal Audit Committee  
UT System Audit Office  
Governor's Office of Budget, Planning and Policy  
Sunset Advisory Commission  
State Auditor's Office  
Legislative Budget Board

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**Executive Summary**

**Overall Assessment**

UT Health RGV Rheumatology clinical operations did not adhere to all policies and procedures set forth in the School of Medicine's Ambulatory Policies and Procedures Manual.

**Background:** The UT Health RGV Rheumatology Clinic (UTHRC) is one of seven clinics operating under UT Health Rio Grande Valley, the clinical practice plan of the University of Texas Rio Grande Valley (UTRGV). One physician and one nurse practitioner serve patients at the clinic in the specialty area of Rheumatology. Additional staff includes, two medical assistants, one patient service representative (PSR) and one ultrasound technician. The staff are responsible for front office activities, including scheduling, pre-appointment information, patient check-in and check-out, and time of service collections of patient co-pays and prior balances. The system of record for all patient encounters is AthenaNet (Athena). Athena was implemented on August 28, 2018.

**Objective:** To determine if the UTHRC adhered to revenue cycle policies and procedures set forth in the School of Medicine's Ambulatory Policies and Procedures Manual.

**Scope/Period:** Front end and charge capture operations from September 1, 2018 – December 31, 2018

**Key Observations:**

- |               |  |
|---------------|--|
| <b>High</b>   | 1) Charge capture and charge entry times were lagging by an average of 50 days.  |
| <b>High</b>   | 2) No process for reconciling Athena collection activities, including daily time of service (TOS) reconciliations.   |
| <b>Medium</b> | 3) PSR did not receive required cash handling training.  |
| <b>Low</b>    | 4) Outdated forms used, including an outdated Notice of Privacy Practices. Forms also included the doctor's former private practice name and policies. Not all patient files tested had the required documents scanned into the Athena system. |

- Root Cause:**
- 1) Providers did not complete the progress notes timely.
  - 2) Revenue Cycle management did not see Athena collections reconciliation to the bank statements as their function. Also, front desk staff did not have access to create deposit batches for TOS daily closeout.
  - 3) PSR was not identified for training during Clinic transition to UT Health RGV.
  - 4) Lack of communication during clinic transition. Documents shredded before ensuring documents scanned into Athena.

- Action Plans:**
- 1) We continue to add billing staff to reduce the lag time of 50 days for capturing of charges. In addition, we are training the front office staff to drop the charges daily after the provider has finished the note. We are currently implementing this process at two clinics, Rheumatology and Surgery & Women's Specialty. Once we have these clinics onboard and functioning well and have retrained all other clinic staff, we will continue to implement this process to the additional UT Health RGV clinics. The plan is to have this process in place and functioning fully at all the UT Health RGV clinical sites by August 31, 2019.

**Risk Levels**

Priority
High
Medium
Low

## Executive Summary Continued

- Action Plans:**
- 2) Actively working on daily reconciliation process at the clinic level. Users rights have been granted to reconcile, deposit and void for the Patient Service Representatives (PSR's). As a check and balance, a void report is scheduled to run every week, the report is emailed to the managers to review and keep track of voids done by the PSR's. In addition, increasing the managers at the clinical operation level, these positions will help ensure a daily reconciliation is done. In addition, we will set processes in place to ensure all deposits are picked up timely and taken to the Bursar's Office on a weekly basis. For the clinical sites near the Brownsville campus, arrangements have been made to drop off deposits to the Bursar's Office at the Brownsville campus. Deposits to the bank need to reconcile to the bank deposit to Chase Bank. Electronic deposits of credit card transactions will be reconciled to US Bank. All reconciliations will need to be completed by the 8th of the following month. Reconciliation process continues to improve.
  - 3) All new PSR's will be required to have Cash Handling Training within 30 days of employment. All current PSR's will be required to have Cash Handling Training annually. Clinical Affairs office managers will keep a record of all employees trained on cash handling training and daily reconciliations. In the case where a Medical Assistant (MA) may be required to serve in the role as a PSR due to staffing needs, the MA will be required to have the same training as the PSR.
  - 4) All necessary updated clinical forms are available to the staff via Athena. It is the responsibility of management to ensure all correct forms are used. The staff meetings will reiterate the importance and the required documentation needed for all patient files with regards to, Notice of Privacy Practices, Release of Billing Information and Assignment of Benefits. This reminder will be a recurring topic at the staff meetings.
  - 5) We are actively working on an onboarding process for all new staff and faculty. This will include Athena training, an the duties and tasks required according to user roles set in Athena. Scheduled time has been included for management to sit with staff to discuss tasks and responsibilities and processes. Other training times will be made available for re-training if needed. We have added weekly Athena training for staff as needed.

Detailed Observations	Recommendations	Management Action Plans
<p><b>1) Charge Capture and Missing Charges</b> – In the Athena system, all appointments at check in are assigned a “missing” status. Appointments remain in this status until charge entry is complete. An encounter is opened once a patient is in the exam room and ready to see the provider. Once the patient is seen, the provider then completes the progress notes and adds the Current Procedural Terminology codes and diagnosis codes. The provider then closes the encounter in the Athena system.</p> <p>We obtained an open encounter report for the months of September and October 2018. The report showed a listing of 21 encounters that were still open for dates of service ranging from 09/18/18-10/30/18. The explanation obtained from the medical records technician was that the chart progress notes were not complete. These encounters were closed as of 12/14/18; however, these encounters remained open for an average of 50 days past the policy requirements.</p> <p>Additionally, we obtained a listing of all patients seen at the clinic for dates of service 09/05/18 and 10/15/18. We compared this listing to charges shown in the Athena system as of 01/14/19 for those same dates of service. There were seven out of 23 encounters that had not been billed as of 01/14/19.</p> <p>UTRGV's SOM Ambulatory Policy and Procedures Manual, 16.005 Charge Capture Encounter Form, Charge Lag, states that "UTRGV SOM expects documentation (encounter form and associated chart notes) to be completed within 24 hours of service rendering for both clinic and hospital care settings. At no time will encounter and/or</p>	<p>1) Clinic management should monitor key metrics related to charge capture and charge entry lag times and develop an action plan to ensure claims do not miss any payer claim filing deadlines.</p>	<p>1) We recently implemented an Open Records report and it is set to run automatically twice a week on Mondays and Fridays. Since this review an additional report will run on Wednesdays to ensure we capture any records that will fall out of the 72 hour window from one day to the next.</p> <p>In addition, the Revenue Cycle team continues to expand to increase the number of staff. We are working diligently to decrease the lag time from when the note is complete to the date the claim is sent.</p> <p>We have recently added a Senior Healthcare Application Analyst who is working with the Revenue Cycle to increase the number of charges sent from the front office staff. Athena is set-up to have claims released from the front desk and we are testing 2 clinics to make sure this function works before we roll it out across all the UT Health RGV sites. One is Rheumatology.</p> <p>These two significant plans should help decrease the lag time tremendously. UT Health RGV is considering updating the policy</p>

Detailed Observations	Recommendations	Management Action Plans
<p>associated chart documentation extend beyond 72 hours from time of service. UTRGV SOM expects Charge entry process to be completed no later than 48 hours from receipt of completed encounter form, paper or electronic)".</p> <p>The director of revenue cycle explained that they were behind on billing and these claims have not been reviewed yet. UTRGV contracts with ABW Medical to assist in coding and in working missing slips and bill holds. Revenue cycle staff and ABW Medical review claims that are in "missing" status. Once these claims are reviewed, they will be billed in the Athena system and show up on the charges report as "drop" status. This status indicates that the claim has passed the initial, automated check by the Athena rules engine and is ready for submission to payer.</p> <p><b>2) Athena Reconciliation</b> – During the course of our audit, it was noted that reconciliations were not performed between Athena collection activities and bank statement transactions. The director of clinical administration is currently in the process of deciding who will be assigned this task. In addition, we noted that clinic Time of Service (TOS) collections were not all reconciled within the Athena system.</p>	<p>2) Clinic management should continue to create new revenue cycle policies that reflect the new processes created with the Athena implementation. The assignment of Athena reconciliations should be considered a priority. Also, TOS collections should be reconciled to deposit payment batches daily.</p>	<p>requesting that Ambulatory records be completed “same day” also to encourage faster completion time.</p> <p><b><u>Implementation Date:</u></b>            August 31, 2019</p> <p>2) This is a high priority. With the new office managers, the daily reconciliation process will be part of the daily closing process. Each PSR will need to reconcile and deposit their batch as well as complete the daily checkout required by the bursar’s office and daily monitoring done by the office managers. Revenue Cycle will intermittently audit clinic staff to ensure they are reconciling their cash daily, closing their payment batches daily or by next day, and reconciling their bank deposits to TOS monies</p>

		<p>daily report. In addition, office managers will be responsible to ensure that deposits are picked up weekly and either deposited in the bank or taken to the bursar’s office in either Edinburg or Brownsville. Clinical Affairs Management will continue to work with the Bursar’s office, Auditing Department, Accounting and Finance Department to address any reconciliation or TOS deposits issues.</p> <p>In regard to the reconciliation between Athena collection activities and bank statement transactions, Revenue Cycle is currently reconciling any Athena AR unpostable payments to Athena bank transactions and/or Chase bank transactions. Revenue Cycle is also currently trying to reconcile Athena monies from Athena bank to Chase bank. Clinical Affairs Management is working with the Finance Department as to who should reconcile all monies posted to AR GL to deposits in Athena, US Bank, and Chase Bank.</p> <p><b><u>Implementation Dates:</u></b>  TOS Reconciliation May 31, 2019  Full Reconciliation Process August 31, 2019</p>
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Detailed Observations	Recommendations	Management Action Plans
<p><b>3) Time of Service Collections</b> – The patient’s financial responsibility is collected during patient registration and prior to seeing the provider. The amount collected is entered into the Athena system. A written receipt and a receipt from the Athena system is given to the patient. At the end of the day, the PSR uses a Daily Check Out Form to reconcile the day’s collection activities. Cash and checks that have been reconciled at the end of the day are placed in a sealed deposit bag. This sealed bag is placed in the vault until picked up for deposit by the office manager weekly. The office manager signs and retains a copy of the Daily Check Out Form when taking custody of the deposit. During our observation of deposit pick-ups, the office manager noticed that the Daily Check Out Forms were filled out incorrectly and brought it to the attention of the PSR. The Total Deposit and Less Tender Totals should match otherwise an over/short amount should be recorded. The PSR stated she had not received any cash handling training. The UTRGV Handbook of Operating Procedures, ADM 10-701, Cash Handling and Reporting states that: “Each employee handling cash must complete the online Cash Handling Training within the first 30 days of employment and complete a renewal class every two years. The required training includes employees that handle cash and their supervisors.”</p>	<p>3.1) Clinic management should ensure that all cash handlers take the required Cash Handling Training.</p> <p>3.2) Clinic management should eliminate the issuing of a written receipt. Athena receipts have enough information to perform reconciliations.</p>	<p>3.1) Clinical Operations Management team will ensure all PSR’s are trained in the required Cash Handling Training. All new employees will be required to have Cash Handling Training within 30 days of employment. All current PSR’s will be retrained over the next 60 days. All current employees will also be required to have Cash Handling Training once a year. We are aware the requirement is every 2 years, but we will require training once a year. Clinical Affairs office managers will keep a record of all employees trained electronically.</p> <p><b><u>Implementation Date:</u></b>  June 28, 2019</p> <p>3.2) The elimination of the written receipt has occurred across all the UT Health RGV clinical sites. The written receipt will stay at any clinic not using Athena.</p> <p><b><u>Implementation Date:</u></b>  October 2018</p>

Detailed Observations	Recommendations	Management Action Plans
<p><b>4) Required Documentation-</b> The revenue cycle begins with patient registration. The patient arrives and is checked in electronically into the Athena system. For new patients, the clinic uses a new patient packet to capture patient demographics, required consents and acknowledgements and the patient’s medical history. We obtained and compared a sample of a new patient packet at the Rheumatology Clinic to one obtained at the Employee Health Clinic. The forms were not consistent. The Rheumatology Clinic was using outdated forms, including an outdated Notice of Privacy Practices. We noted that the forms included the doctor's former private practice name and policies.</p> <p>The clinic collects these forms from the patient, scans the documents into the Athena system, and shreds the original documents. We selected a sample of ten completed new patient appointments from September and October of 2018. The information was reviewed in the Athena system for each patient to determine if the required documentation was collected and retained. The payment collected was also reviewed to determine if it was applied to the patient's account in accordance with UTRGV's SOM Ambulatory Policies and Procedures Manual, 16.012 Patient Registration.</p> <p>Three of the ten patient files tested had no required documents scanned into the Athena system. These documents included, registration forms, consent for treatment and Health Insurance Portability and Accountability Act (HIPAA) acknowledgement forms of</p>	<p>4.1) Clinic management should ensure that all clinics have updated new patient forms that are consistent with the policies of UTRGV and the School of Medicine Ambulatory Policies and Procedures Manual.</p> <p>4.2) Clinic staff should ensure that a scanned copy of these documents is available for each patient before they are shredded.</p> <p>4.3) Clinic staff should obtain the missing documents for those three patient files tested and consider reviewing other patient files for missing documents.</p>	<p>4.1) The clinical operations team has confirmed all forms have been updated. Management will inform at the next staff meeting regarding the gathering of new patient forms, to include; Notice of Privacy Practices, Release of Billing Information and Assignment of Benefits. Anytime the forms are updated the staff will need to be notified so new signatures can be obtained from the patient.</p> <p>4.2 &amp; 4.3) We will inform the staff at the next staff meeting they are required to check every Athena chart before the forms are shredded making sure the forms have been captured prior to shredding. In addition, we will advise clinical staff at the next staff meeting that they will need to hold all forms for 60 days with patient signatures prior to shredding. At every visit the staff member scanning the forms will be responsible to confirm all documents have been completed by the patient.</p>

<p>receipt of Notices of Privacy Practices, and medical history forms.</p>		
<p><b>Detailed Observations</b></p>	<p><b>Recommendations</b></p>	<p><b>Management Action Plans</b></p>
<p>According to UTRGV's SOM Ambulatory Policies and Procedures Manual, 12.002 Patient Check In and Check Out, UTRGV SOM providers are not permitted to provide treatment without a signed consent form. (Section 164.506 of the Code of Federal Regulations). Additionally, the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule states that: A covered health care provider with a direct treatment relationship with individuals is required to make a good faith effort to obtain an individual's acknowledgement of receipt of the notice of privacy practices.</p>		<p>We will address Policy 12.002 with every clinic and the relevance of obtaining all necessary consents from the patients, so staff has an understanding as to why these polices are in place and the importance of the patient consents. An agenda of our next employee staff meeting will be provided as proof of the discussion with the employees.</p> <p><b><u>Implementation Dates (4.1, 4.2 and 4.3):</u></b> June 28, 2019</p>

**APPENDIX**

**Risk Classifications and Definitions**

<b>Priority</b>	High probability of occurrence that would significantly impact UT System and/or UT Rio Grande Valley. Reported to UT System Audit, Compliance, and Risk Management Committee (ACMRC). Priority findings reported to the ACMRC are defined as <i>“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.”</i>
<b>High</b>	Risks are considered substantially undesirable and pose a significant level of exposure to UT Rio Grande Valley operations. Without appropriate controls, the risk will happen on a consistent basis. Immediate action is required by management in order to address the noted concern and reduce exposure to the organization.
<b>Medium</b>	Risks are considered undesirable and could moderately expose UT Rio Grande Valley. Without appropriate controls, the risk will occur some of the time. Action is needed by management in order to address the noted concern and reduce the risk exposure to a more desirable level.
<b>Low</b>	Low probability of various risk factors occurring. Even with no controls, the exposure to UT Rio Grande Valley will be minimal. Action should be taken by management to address the noted concern and reduce risk exposure to the organization.