

MDA22-102 Medical Administrative Overrides Review

EXECUTIVE SUMMARY

Background

A Medical Administrative Override is approval to provide specific, acute medical services in the short term for patients meeting applicable medical criteria, even though financial requirements have not been met. No charges are waived for a patient who receives a Medical Administrative Override; the patient will be charged and billed for all services provided.

Approximately 690 Medical Administrative Overrides were approved during FY 2021. We were able to determine estimated charges totaling \$19.6 million for 50% of these requests. For the remainder, actual charges could not be determined. The majority of these overrides were initiated in five departments (refer to **Appendix B - Chart 2**).

Audit Results

Internal Audit conducted a consulting review over the Medical Override Process in FY 2019. The review indicated opportunities for improvement in documentation, reporting, policies, monitoring, and collections. Similar results are presented in this report. While management indicated actions would be taken to reduce the number and financial impact of Medical Administrative Overrides to the institution, we noted an increasing trend over the last three years. Refer to **Appendix B - Chart 1**.

Current testing revealed that Medical Override requests are documented in Epic and properly approved by authorized personnel. However, there is an opportunity to improve accountability over this process by ensuring compliance with the policy and enhancing monitoring and oversight over medical override process. In addition, we identified a need to update the current Medical Administrative Override policy to ensure consistency of application, including the reason for the request. Refer to **Appendix B - Chart 3**.

Overall Conclusion

Our policy on Medical Administrative Overrides was created to address the acute medical issues of our patients. However, it appears we may need to increase the transparency over Medical Overrides to ensure alignment with our core values of stewardship and accountability. History has proven that our collection rate on Medical Overrides is significantly low, making it even more critical that we manage this process very judiciously.

Management Summary Response:

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before 8/31/2023.

Appendix A outlines the methodology for this project. **Appendix B** presented data analysis overview for FY 2021

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The courtesy and cooperation extended by the personnel in the Financial Clearance Center, Case Management, and Dr. Ronald Walters are sincerely appreciated.

Sherri Magnus

Sherri Magnus, CPA, CIA, CFE, CRMA, CHIAP
Vice President & Chief Audit Officer
July 8, 2022

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Detailed Observations

Consistently Document Requesting Physician Names

Over 25% of overrides requested and approved during FY 2021 do not contain the physician's name as required by institutional policy. When the requesting physician has not been identified or documented, then accountability may not be established to ensure policy requirements are met. For example, the physician must evaluate the patient's medical condition to ensure they meet applicable criteria.

Enhance Monitoring and Oversight over Medical Override Process

Medical Override requests are initiated by providers, processed by the Financial Clearance Center, and approved by the Associate Vice President of Medical Operations & Informatics or his designee. However, discussions with various parties involved in the process indicated that there is no communication or reporting outside this process to allow for monitoring of the requests and associated costs on regular basis.

History has proven that our collection rate on Medical Overrides is significantly low. As MD Anderson continues to monitor and manage the cost of care moving forward, transparency around Medical Overrides and accountability for the overrides granted will become increasingly more critical.

Update Medical Administrative Override Policy

The Medical Administrative Override policy was established to address specific, acute, medical issues for patients who meet medical criteria. Based on discussions with management, Medical Overrides are intended for patients with emergent or urgent care conditions. However, the current policy does not specifically define the medical conditions required for patients to be eligible, leaving the medical conditions open for interpretation and inconsistent application. As evidenced in **Appendix B - Chart 3** we noted various reasons ranging from Patient Financial Assistance (PFA), to treatment is not available at MD Anderson, as reasons for medical overrides being requested.

Other institutions have used the Centers for Medicare & Medicaid Services (CMS) definitions for emergent and urgent care conditions as a guideline for medical criteria. CMS defines Emergency Care Services as: "Inpatient or outpatient hospital services that are necessary to prevent death or serious impairment of health and, because of the danger to life or health, require use of the most accessible hospital available and equipped to furnish those services." Urgent Care Services are defined as "Services furnished to an individual who requires services to be furnished within 12 hours in order to avoid the likely onset of an emergency medical condition."

CMS Manual System, Pub 100-02 Medical Benefit Policy, Transmittal 206, 40.29 Definition of Emergency and Urgent Care Situations.

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Finally, our policy indicates that an override allows for “short-term access to care.” However, it does not further define “short-term access” or set a maximum time limit covered under each medical override.

Lack of clearly defined medical criteria, as well as the maximum period covered under each override, could lead to inconsistency and/or abuse of the medical override process.

Overall Recommendations

Ranking: High

Based on our review, we recommend that management:

1. Implement a process to ensure the requesting or attending physician approves and documents their approval for each Medical Override request.
2. Medical Override requests, approvals, and associated costs should be communicated to leadership on a regular basis and included in dashboards to increase transparency and accountability by physician and department.
3. Management should review the Medical Administrative Override policy and adopt specific medical criteria to evaluate override requests. Consideration should be given to including CMS definitions of urgent and emergent, as well as the maximum time period that treatment can be provided under a medical override.
4. Finally, providers should be educated on the policy and any changes, as well as the financial impact to patients and our organization.

Management's Action Plan:

Executive Leadership Team Members: Omer Sultan/ Welela Tereffe

Owners: Angela Bailey and Ron Walters

Implementation date: 9/30/2022

1.0 To assist with ensuring documentation of the request, rationale, and approval/denial of a Medical Override, a template form/referral request will be created in EPIC, to be populated and signed by the requesting clinical provider. The provider's signature will incorporate an attestation/acknowledgement of the intended purpose of an Override and of the financial risk conferred to the patient through an Override. Once signed, the request is routed to the FCC for processing/submission to the designated committee/individuals for review and final determination. Final determination will be communicated and documented in the system. Provider education will be required prior to operationalization.

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Management's Action Plan:

Executive Leadership Team Members: Omer Sultan/ Welela Tereffe

Owners: Angela Bailey and Prince Ampomah

Implementation date: 3/30/2023

2.0 To enhance visibility and shared accountability for medical overrides (volume, rationale, and lost revenue), the Financial Clearance Center, in tandem with the Chief Medical Executive Office and Information Technology, will establish a Medical Override Executive Leadership Report/Dashboard within EPIC. This dashboard will have the capability to display override information at the division, department, and physician level.

Management's Action Plan:

Executive Leadership Team Members: Omer Sultan/ Welela Tereffe

Owner: Welela Tereffe

Implementation Date: 9/15/2022

3.1 To ensure proper oversight, adherence and ownership, transition of the guiding policy "Medical Administration Override Policy (ADM0361)" from an administrative policy overseen by the Administrative Policy Council to a clinical (CLN) policy overseen by the Executive Committee of the Medical Staff will be discussed and determined among the relevant executive leaders (Shibu Varghese, Omer Sultan, Welela Tereffe). Regardless of final location, Medical Staff and Finance content experts will be engaged in policy revisions and reviews.

Management's Action Plan:

Executive Leadership Team Members: Omer Sultan/ Welela Tereffe

Owners: TBD, after Action Item #3 is resolved

Implementation date: 6/30/2023

3.2 Once the oversight location of the guiding policy is determined, the following policy updates will be considered:

- a) Specify process for Override request, including EPIC form completion*
- b) Clarify the distinction between medical and financial Overrides to ensure providers understand the patient financial liability created by an Override*
- c) Include requirements for provider attestation/acknowledgement*
- d) Clarify process for Override approval, including responsible executive and designee approvers*
 - i. Consider creating a panel approval process consisting of 3 physician reviewers, with a requirement for majority or unanimous approval*
- e) Specify downtime procedures for request and approval*
- f) Adopt specific medical criteria and time period criteria for Overrides, and consider:*
 - i. Limiting medical overrides to emergent/urgent needs (consider including the CMS definition of Emergent Services/Urgent Services)*
 - ii. Establishing time period limitations for a patient's care under an Override*
Establishing frequency limitations or usage caps for a patient's care under an Override

Provider education will be necessary prior to implementation of policy revisions.

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Management's Action Plan:

Executive Leadership Team Members: Omer Sultan/ Welela Tereffe

Owner: Ron Walters

Implementation date 8/15/2023

4.0 Develop online provider education resources on policy updates/requirements, workflow/attestation process, distinction between medical and financial overrides, organizational financial impact and dashboard reporting. The education resources should be updated at least every two years.

Appendix A

Objective, Scope and Methodology:

The objective of this project was to determine whether controls/processes are in place to ensure Medical Overrides are appropriate, monitored, and align with industry best practices. The review and analysis included Medical Override requests created in Fiscal Year 2021 and any related periods.

Our procedures included the following:

- Reviewed current institutional policy relating to Medical Overrides.
- Interviewed the employees in both Financial Clearance Center (FCC) and Case Management to understand the flow of the process and documentation in Epic.
- Performed analysis on the Medical Override data for FY2021.
- Selected a random sample of 135 Medical Override requests to ensure compliance with the institutional policy.
- As Medical Override Policies doesn't usually available for public access. The Audit team reviewed related policies such as financial clearance, patient financial responsibilities, and financial assistance of eight external institutions to identify potential best practices.

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards (GAGAS)* requirements for internal auditors.

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."*

Appendix B Data Analysis Overview for FY 2021

Chart 1: Medical Overrides- Estimated Charges*

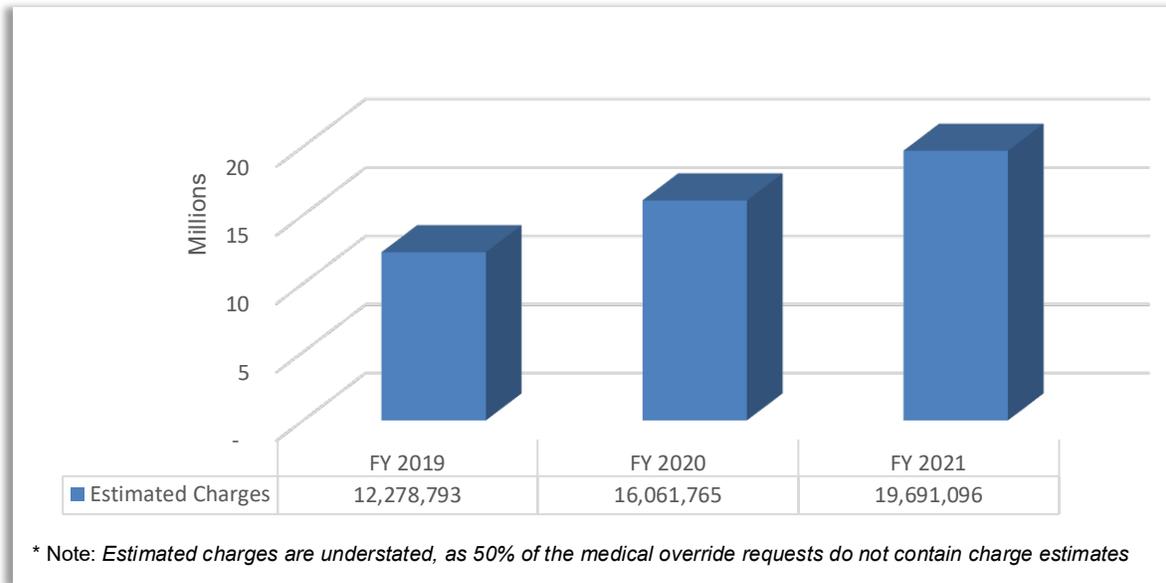
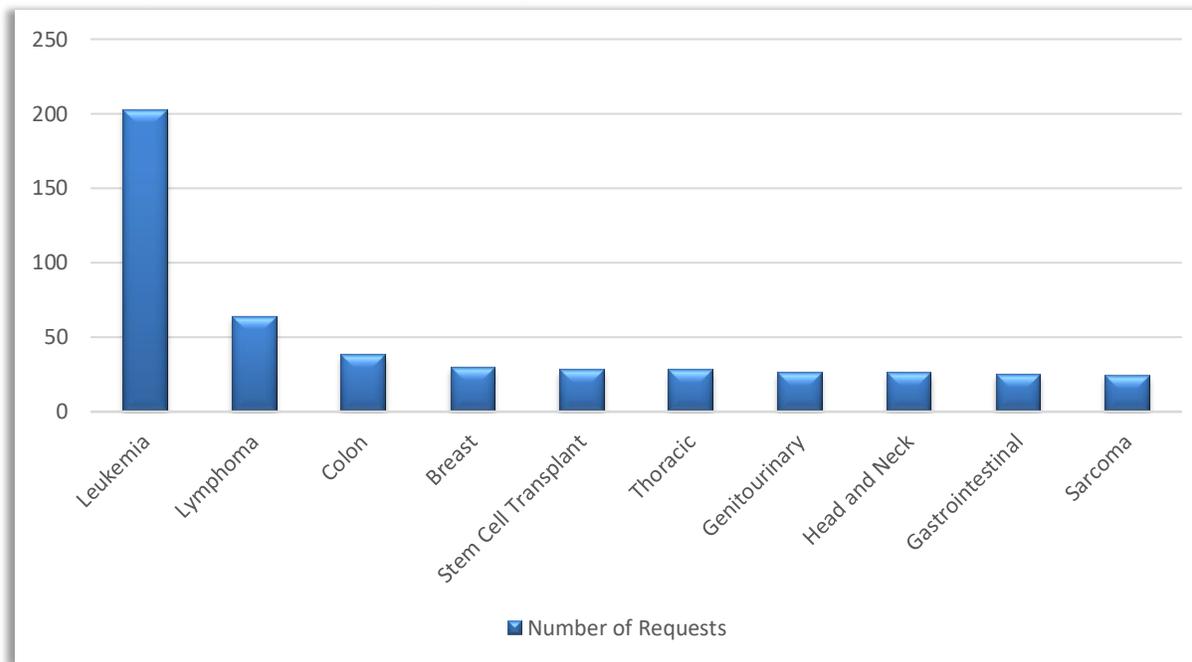


Chart 2: Top 10 Home Center Requesting Medical Overrides



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Chart 3: Top 10 Reasons for Medical Overrides

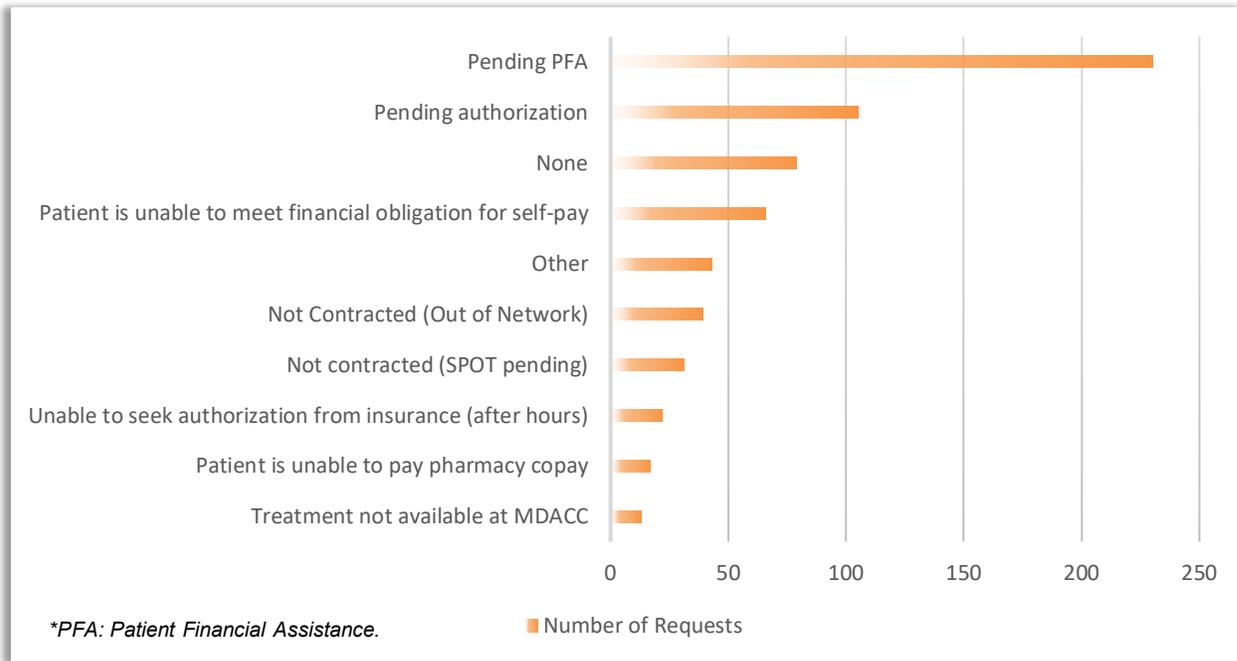
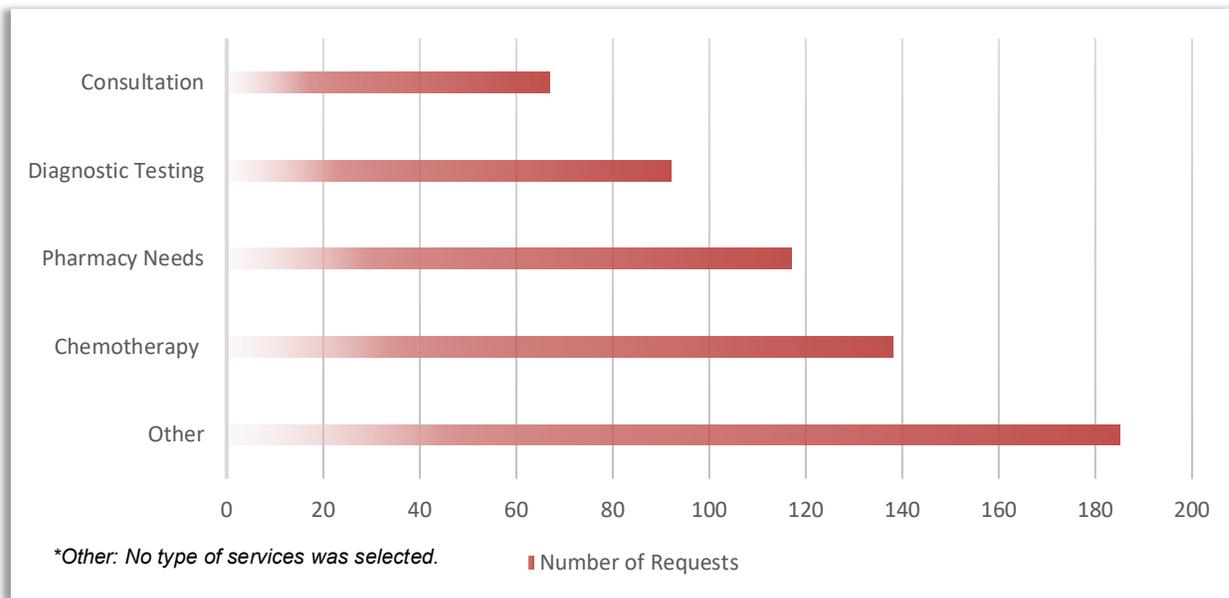


Chart 4: Top 5 Categories (type of services provided) of Medical Overrides



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