

Head & Neck Center Review

Department of Internal Audit
Audit No. MDA 24-117

Executive Summary

The Head and Neck Center (the Center) sees more than 50,000 patients a year with cancers and benign tumors of the head and neck. The Center is comprised of a diverse team of approximately 80 personnel with specialized training in either of the four service areas of the Center: Speech Pathology, Audiology, Dental, or Ophthalmology. These areas generated \$41M in patient revenue during Fiscal Year (FY) 2023.

Audit Result

Internal Audit conducted a general assessment of the Center's key financial and administrative activities. The Center has internal controls to oversee the management of financial activities and perform the monthly reconciliation of OneConnect to the general ledger, in addition to a robust charge reconciliation process and effective controls to safeguard assets. We did, however, identify an opportunity for improvement in the charge capture escalation process to ensure timely posting of charges.

Further details are outlined in the Detailed Observation section. Less significant issues were communicated to management under separate cover.

Management Summary Response:

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before July 1, 2024.

Appendix A outlines the objective, scope, and methodology for the engagement.

The courtesy and cooperation extended by the personnel in the Head & Neck Center are sincerely appreciated.



Sherri Magnus

Sherri Magnus, CPA, CIA, CFE, CRMA, CHIAP
Vice President & Chief Audit Officer
June 28, 2024

Detailed Observations

Ranking:



1. Strengthen Escalation Process on Charge Capture

From a sample of 257, our review indicated that 26 (10%) completed encounters were missing a charge. According to management, this root cause for missed charges was due to delays in completing progress notes. Although there is an existing process to notify providers to complete notes, there is no escalation process when the providers do not respond.

Institutional Policy requires that all charges for services rendered be posted in an accurate and timely manner. When charges are not posted, the associated revenues may be lost. Internal Audit was unable to determine the potential lost revenue associated with these services.

Recommendation:

Management should partner with Ambulatory Charge Capture Services to strengthen escalation processes for ensuring timely posting of charges, and in addition, to provide continuing education over charge capture.

Management Action Plan:

Charge Capture Escalation Process:

Charge Capture leadership team will send an escalation email weekly on Wednesdays to H&N CAD, Nurse Manager, and Speech & Audiology Manager for any H&N Center encounter that has missing H&N Center charges and/or missing H&N procedure charges, greater than 4 days from date of service. H&N management team will work with the specified team members to complete encounters by close of business each Friday. The escalation email will provide a table of what is outstanding, which should go back to the oldest date of service needing attention.

Due Date: July 1, 2024

Responsible Executive: Rosanna Morris

Department/Division Executive: Judy Moore

Owner: Sarah Harrigan

Appendix A

Objective, Scope and Methodology:

The objective of the review is to provide a general assessment of the financial and administrative processes for the center. Our review of the department covered charge capture, financial management, and personnel/leave management for the period of September 1, 2022 through December 31, 2023, and related periods.

Our procedures included but not limited to the following:

- Interviewed key personnel and reviewed relevant organizational policies to understand financial and administrative processes within the department.
- Examined personnel management processes including timekeeping.
- Tested procurement card reconciliations for evidence of appropriate segregation of duties and allocation of funds.
- Reviewed the results of the most recent annual physical inventory scanning and assessed processes and controls over assets.
- Reviewed charge capture processes including daily and monthly reconciliations, reviewing workqueues, etc. Note that this review did not include testing for charges related to medical supplies.
- Performed on-site observations of physical space.

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.

Audit Team: Mahmud Mrad, Melissa Prompntagorn, Sacha Nouedoui, Megan Dotson, and Frances Barker.

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.*”