

## 12-107 Charge Capture – Multidisciplinary Care Centers

**Strategic Area: Patient Care**

**Risk Type: Financial, Operational**

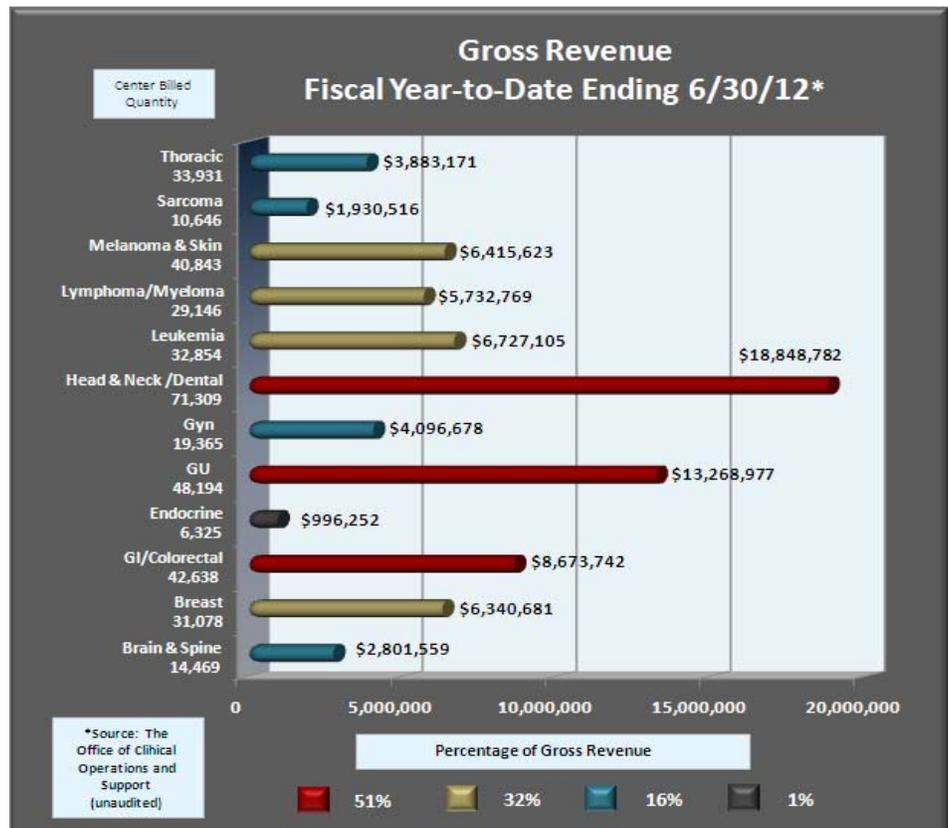
**Audit Manager: Antoinetta Lovelady**

### Overview:

MD Anderson (the Institution) currently has 13 Multidisciplinary Care Centers (MCCs) where surgeons, medical oncologists, radiation therapists, and other cancer specialists provide multidisciplinary cancer treatment. As of June 2012, the MCCs had billed 380,877 units and generated over \$79 million in revenue. As depicted in this graph, Head and Neck (H&N), Gastrointestinal (GI) and Genitourinary (GU) Centers gross revenue totaled \$40,791,500 or 51% of the MCCs revenue.

Each MCC has a fiscal responsibility to capture charges for all services rendered.

The MCCs document the services provided via MedAptus (an electronic charge capture system) or a paper charge ticket. If MedAptus is used, a daily interface occurs with CARE (patient accounting system), subsequently charging the patient's account. If a paper ticket is used, the procedural code is entered directly into CARE. To ensure that all technical charges are captured, the MCC prepares a daily reconciliation of scheduled appointments to the charges posted to the patient's account.



**Audit Results Summary:**

Based on the test work performed we determined that the H&N, GI, and GU Centers are generally capturing and reconciling their outpatient technical charges; however, we identified some opportunities for improvement. Specifically, management could improve their control processes by:

- Addressing and resolving suspended charges held in MedAptus
- Reviewing manual charge ticket reconciliations for accuracy and completeness
- Reviewing user access to CARE and MedAptus to ensure proper segregation of duties
- Developing standard operating procedures

**Management Summary Response:**

Management is in agreement with the recommendations to improve controls over the technical charge capture reconciliation process. The detailed observations included in the report identify actions for the H&N, GI and GU Centers. They have separately indicated action plans to address their respective recommendations. All recommendations are projected for completion by November 2012.

**Number of recommendations to be monitored by UT System:** None

### **Objective, Scope and Methodology:**

The objective of our audit was to determine if controls are operating effectively to ensure that technical outpatient charges within the MCCs are captured and recorded appropriately in the institutional financial systems. We tested the key controls documented by the Financial Controls Department surrounding the charge capture process in the H&N, GI, and GU Centers for the period of September 2011 through June 2012. Our reconciliation testing was limited to March 2012 through June 2012 for the GU Center as 18 of the 20 days of our original sample selection were not available to be audited.

Audit work included, but was not limited to:

- Review of institutional policies and departmental procedures
- Interviews with key personnel regarding the MCC outpatient technical charge capture processes
- Review of MedAptus charge capture reconciliation process
- Testing of daily charge capture reconciliations
- Review of suspended charges held in suspense (Rule Hold)
- Review of supporting documentation used in the revenue monitoring process
- Review and testing of the weekly and monthly Uncharged Reports
- Review of CARE and MedAptus user access levels
- Observation to validate CARE automated controls

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

The courtesy and cooperation extended by H&N, GI, GU, Clinical Operations and Support, and Financial Controls is sincerely appreciated.



Sherri Magnus, CPA, CIA, CFE  
Vice President and Chief Audit Officer *ad interim*  
October 31, 2012

Observation 1:

**Address Charges Held in Suspense (Rule Hold)**

Rule Hold is a suspense function of MedAptus that holds charges for various reasons. These items must be addressed in order to be released from Rule Hold, exported into CARE, and subsequently charged to the patient's account. Each MCC is responsible for reviewing and addressing Rule Hold suspense items. At the time of this review, the H&N and GI Centers had 20 and 116 items respectively; with the earliest item dating back to September 2011 in Rule Hold. H&N management confirmed that 11 items totaling \$2,646 were valid charges that should have been exported into CARE. GI management validated that 93 Rule Hold items totaling \$17,363 were valid charges that should have also been billed to the patients' account. GI was unable to export these charges as the billing timeframe had expired. Failure to ensure that charges are captured timely may result in non-payment from the provider and a financial loss to the Institution.

**Recommendation:**

The H&N and GI Centers should review Rule Hold items suspended in MedAptus as part of the daily reconciliation review to ensure that all items are properly addressed in a timely manner. Evidence of the review should be documented. For the suspended items noted above that were determined to be valid charges, management should disposition accordingly.

**H & N Management's Action Plan:**

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Judy Moore  
Contributor: May Johnson  
Due Date: November 2012

*The Head & Neck Center confirmed and exported 11 charges totaling \$ 2,646. The Clinical Administrative Director and the Clinical Business Manager (CBM) will meet monthly to discuss and correct rule holds, routing errors and outstanding charges. The CBM and Clinical Care Coordinators will monitor charges daily to ensure that charges are entered correctly and in a timely fashion. The Center's charge process will be discussed during monthly staff meeting.*

**GI Center Management's Action Plan:**

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Anthonia Eby  
Contributor: Jessica Campbell  
Due Date: November 2012

*The GI Center confirmed 93 patients could have been charged totaling \$17,363 but was unable to correct as the timeframe for corrections had passed. The CAD, CBM and reconciler will meet monthly to discuss and correct rule holds, other outstanding charges and analyze trends. The charge process in the clinic will now reflect real time processing when service is rendered. This process will be discussed with staff during the upcoming September 21, 2012 staff meeting, and continue on an as needed basis.*

Observation 2:

### **Review Manual Charge Ticket Reconciliation**

Institutional policy (ADM0407) requires MCCs to ensure that all outpatient technical visit charges are accurately captured and reconciled. The purpose of the reconciliation is to ensure that all patients with scheduled appointments have an associated charge. Currently, manual charge tickets are used to capture technical procedures within H&N (Dental) and GU Centers. At the end of the day, each patient seen should have a charge ticket as they are used to input procedures performed into CARE. The next day, charge tickets are reconciled to a system (CARE) generated report of scheduled appointments and related charges from the previous day. While there is evidence this reconciliation is occurring daily, during our review of 80 patient encounters, we noted the following:

- Three charge tickets could not be located to support the technical charges posted to the patient's account.
- In several instances, the reconciliation cover page totals did not reflect the actual number of patients seen and tickets received. When brought to management's attention these mathematical errors were corrected.
- The GI Center entered an incorrect procedure code into CARE, resulting in a patient being charged for the wrong procedure. We validated that the cost of each procedure was the same and did not result in an overbilling to the patient's account.

In addition, we noted lack of segregation of duties as a reconciler for the H&N Center is responsible for preparing and performing the quality assessment of the manual charge ticket reconciliation. Failure to ensure that all charges are appropriately captured may result in a financial loss to the Institution.

#### Recommendation:

Management should develop and implement adequate control procedures to ensure that all charges are appropriately captured and reconciled. Daily reconciliations of paper charge tickets should be complete, accurate, and reviewed by someone other than the preparer. In addition, management should correct the patient's account that was miscoded to reflect the actual procedure performed.

#### Management's Action Plan:

Responsible EVP: Dr. Burke

Required Approver: Wenonah Ecung

Owner: Judy Moore

Contributor: May Johnson

Due Date: November 2012

*Daily reconciliations of paper charge tickets are reviewed by the closing Patient Service Coordinator (PSC) for accuracy and completeness and reviewed again for quality assurance by the reconciler. During the audit, we noticed that the cover sheets for the pink billing tickets for Dental were not being filled out accurately and completely. The reconciler provided additional training to the closing PSC to correct the issues. In future, both the closing PSC and the reconciler will be expected to sign off on the reconciliation cover sheets to ensure appropriate segregation of duties. Management will monitor the reconciliation process on a monthly basis to ensure that improvements are sustained.*

G U Center Management's Action Plan:

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Elizabeth Garcia  
Contributor: Mohammed Bari  
Due Date: November 2012

*The GU Center has transitioned to MedAptus technical charge capture and reconciliation. Paper charge ticket reconciliation is no longer in use. The reconciliation process for MedAptus has been developed and implemented. Also, management will make the necessary correction to the patient's account to reflect the correct procedural code for the services provided.*

Observation 3:

**Review User Access for CARE and MedAptus**

The appropriate level of system access should be based on one's job role and responsibilities to ensure proper segregation of duties. This is important to provide reasonable assurance that transactions are executed and recorded as authorized by management. During our review of user access, we noted two receptionists within the H&N center with MCC Administrative access to CARE. With this level of access, a user has access to register a new patient, schedule and arrive appointments, enter charges, and apply credits to patient accounts. Additionally, we noted a terminated employee continued to have access to MedAptus for the GU and GI Centers. This issue was documented in a separate MedAptus Application Review. (Refer to 2012-404). Inappropriate system access may result in errors or irregularities not being detected in a timely manner.

Recommendation:

Management should coordinate with the Revenue Capture and Support Group and Information Security to ensure that the MCCs end users' access to MedAptus and CARE is periodically reviewed and remains appropriate based on role and responsibilities. The H&N Center should limit access for the two employees identified with MCC Administrative access. The GU and GI Centers should request that system access is revoked for the terminated employee.

H & N Management's Action Plan:

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Judy Moore  
Contributor: May Johnson  
Due Date: November 2012

*The H&N Center will review user access to CARE on a monthly basis to ensure that all employees have the appropriate level of access to perform the essential duties of their jobs. Management addressed the inappropriate access issue by creating an incident report with 4-INFO (incident# 2405645).*

GU Center Management's Action Plan:

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Elizabeth Garcia  
Contributor: Mohammed Bari  
Due Date: November 2012

*The GU center management team has requested a quarterly report from MedAptus providing center specific user access for review and confirmation. The terminated employee access has been subsequently revoked.*

Management's Action Plan:

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Anthonia Eby  
Contributor: Jessica Campbell  
Due Date: November 2012

*GI will ensure all employees no longer working in the department will have access revoked once they are terminated and have left the institution. We have requested quarterly reports from MedAptus listing all active staff with access. The terminated employee access has been subsequently revoked.*

Observation 4:

**Develop and Implement Operating Procedures**

According to Institutional Policy (ADM0407), each MCC must document, follow, and maintain its own charge capture and reconciliation processes. The intent of this directive was to ensure accountability for all appropriate parties. During our review, we noted that GI did not have documented procedures for their reconciliation processes, and GU's procedures were not updated to reflect their current operations. Without current standard operating procedures it is difficult to ensure consistency and hold individuals accountable.

Recommendation:

Management should develop and implement formal operating procedures for both the manual and automated reconciliation processes. These procedures should include detailed guidance relating to the preparation, reviewing, monitoring and maintenance of charge capture documentation.

GU Center Management's Action Plan:

Responsible EVP: Dr. Burke  
Required Approver: Wenonah Ecung  
Owner: Elizabeth Garcia  
Contributor: Mohammed Bari  
Due Date: November 2012

*The GU Center has developed and implemented formal standard operating procedures for technical charge entry and reconciliations processes.*

GI Center Management's Action Plan:

Responsible EVP: Dr. Burke

Required Approver: Wenonah Ecung

Owner: Anthonia Eby

Contributor: Jessica Campbell

Due Date: November 2012

*The GI Center has developed and implemented formal standard operating procedures for technical charge entry and reconciliations processes.*