

## 15-104 Nocturnal Program Review

### EXECUTIVE SUMMARY

The Nocturnal Program was established in February 2011 as a result of the “Twenty Four Hour Medical Coverage Task Force Report.” The Task Force was enlisted to evaluate concerns raised by after-hours Providers who felt there was inadequate medical coverage at night. The committee concluded that a centralized nocturnal program was needed to ensure alignment with our mission “to deliver high-quality and safe care across all environments.”

As part of the Division of Acute Care Services, the Nocturnal Program provides after-hours patient care to all inpatients, encompassing seven areas throughout the Institution including, Medical Intensive Care (MICU), Surgical Intensive Care (SICU), Surgery, Pediatrics, Hematologic Medical Oncology, Solid Tumor Medical Oncology, and the Clinical Decision Unit. After-hours support consists of shifts Monday through Friday from 6:00 pm to 6:00 am, as well as 24 hours on weekends and Institutional holidays.

Since its inception, the number of Nocturnal Providers and inpatient beds has increased by more than 100% to accommodate the growing population (See Nocturnal Program Growth Graph). Currently, the Program has a pool of 143 Clinical Specialists who are paid based on voluntary support and 34 dedicated Advanced Practice Providers. These services generated approximately \$904,700 in revenue for Fiscal Year 2015.

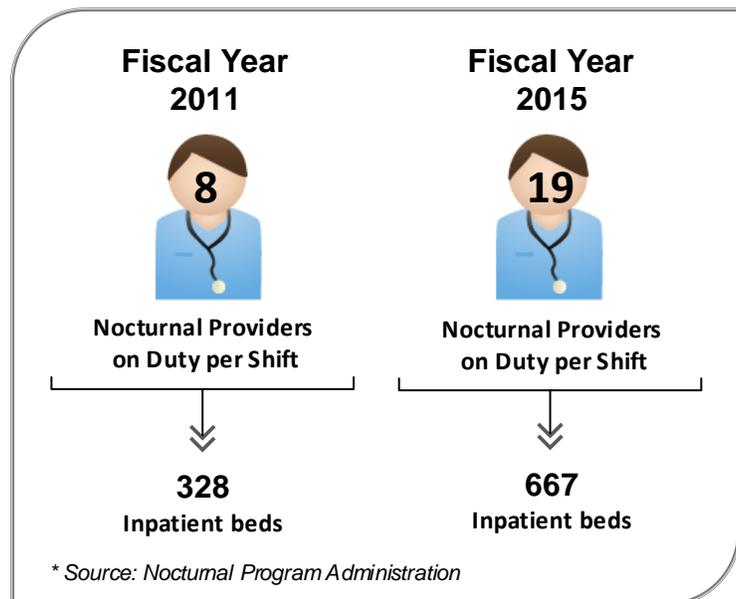
The objective of this review was to provide a general assessment of the internal controls over key administrative functions over the Nocturnal Program from September 2014 to June 2015.

### **Results:**

During our review, we identified the following opportunities to improve program charge capture and administrative processes:

- Professional charges should be consistently captured and reconciled for services provided.
- Verbal orders should be consistently signed within 48 hours.
- Standard operating procedures (SOPs) should be finalized and a system put in place to review documents on a regular basis.

### NOCTURNAL PROGRAM GROWTH\*



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**Management Summary Response:**

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before August 31, 2016.

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

A Priority Finding is defined as *“an issue identified by 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 A** outlines the methodology for this project.

The courtesy and cooperation extended by the Division of Acute Care Services and the Nocturnal Program was sincerely appreciated.



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Sherri Magnus, CPA, CIA, CFE, CRMA  
Vice President & Chief Audit Officer  
November 23, 2015

## Observation 1:

**Lack of Professional Charge Reconciliation****RANKING: Medium**

The Nocturnal Program is responsible for ensuring charges are captured and exported for all services provided, as required by MD Anderson's Institutional Policy ADM0403 *Charge Submission and Reconciliation*. Management acknowledged that formal reconciliations are not performed due to lack of sufficient financial personnel. Without regular reconciliations potential lost charges may not be detected in a timely manner.

**Recommendation:**

We recommend management designate a reconciler and improve control processes to ensure charges are reconciled and captured timely for all services performed.

**Management's Action Plan:**

Responsible EVP: Thomas Buchholz, M.D.

Owner: Kimberly Tripp

Observer: Wenonah Ecung, Ph.D.

Due Date: 3/1/2016

*The Director of Acute Care Services will work with the Vice President, Clinical Administration and Executive Director and Division Administrator of Hospital & Clinics, to explore utilization of a shared resource to perform financial charge reconciliation for the Nocturnal Program.*

Due Date: 8/31/2016

*The Director of Acute Care Services will work with Human Resources to determine the appropriate divisional position description for performing financial charge reconciliation. Establishment of this position will ensure a sustainable control mechanism for capturing and reconciling charges in a timely manner for all services performed.*

## Observation 2:

**Potential Lost Charges****RANKING: Medium**

Based on admission trends, the Nocturnal Program estimates it should capture at least one Critical Care Evaluation and Management (E&M) professional charge of \$826 per shift in the Medical Intensive Care Unit (MICU) and the Surgical Intensive Care Unit (SICU). Our review of shifts from September 2014 through June 2015, revealed that the majority of Clinical Specialists in the MICU and SICU do not appear to be billing professional charges. This resulted in a potential loss of at least \$460,000. According to management, the constant flow of Clinical Specialists combined with limited training on the complex billing process may be contributing to potential lost charges.

**Recommendation:**

We recommend management implement a process to monitor charges and train personnel, as necessary, to ensure professional charges are consistently captured and allocated to the Program.

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Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Kimberly Tripp

Observer: Wenonah Ecung, Ph.D.

Due Date: 3/1/2016

*The Director of Acute Care Services will work with the Vice President, Clinical Administration and Executive Director and Division Administrator of Hospital & Clinics, to explore utilization of a shared resource to perform financial charge reconciliation for the Nocturnal Program. This function will include early identification of missed billing opportunities.*

Due Date: 8/31/2016

*The Director of Acute Care Services will work with Human Resources to determine the appropriate divisional position description for performing financial charge reconciliation (see Observation 1). Establishment of this position will ensure a sustainable control mechanism for capturing and reconciling professional charges and allocating them appropriately to the Nocturnal Program. The scope of this position will include, but is not limited to, professional charge reconciliation on a daily basis, monitoring revenue trends as compared to budget and baseline, identification of outliers, and notification/education of clinical providers. In addition, knowledge and training of providers on OneConnect should eliminate the complexity of billing in MedAptus that frequently results in non-billing by clinical providers in the Nocturnal Program.*

## Observation 3:

**Misallocation of Professional Charges****RANKING: Low**

To determine if charges were potentially misallocated to another department, Internal Audit reviewed a sample of 50 shifts for which professional charges were not billed to the Nocturnal Program. Our testing revealed that approximately 11 professional charges appear to be allocated to the Department of Critical Care instead of the Nocturnal Program. This occurred because the Clinical Specialists used their primary department provider number instead of their Nocturnal provider number.

According to the *Charge Submission and Reconciliation Policy*, all charges are to be posted in an accurate manner. Incorrect allocation of professional charges results in an understatement of the revenue generated by the program.

Recommendation:

We recommend management enforce the use of the Nocturnal provider number for all Clinical Specialists to ensure professional charges are consistently allocated to the Program.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Kimberly Tripp

Observer: Wenonah Ecung, Ph.D.

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Due Date: 3/1/2016

*The Director of Acute Care Services will work with the Vice President, Clinical Administration and Executive Director and Division Administrator of Hospital & Clinics, to explore utilization of a shared resource to perform financial charge reconciliation for the Nocturnal Program. This function will include identification of misallocated charges.*

Due Date: 8/31/2016

*The Director of Acute Care Services will work with Human Resources to determine the appropriate divisional position description for performing financial charge reconciliation (see Observation 1). Establishment of this position will ensure a sustainable control mechanism for capturing and reconciling professional charges and allocating them appropriately to the Nocturnal Program. The scope of this position will include, but is not limited to, professional charge reconciliation on a daily basis, monitoring revenue trends as compared to budget and baseline, identification of outliers, and notification/education of clinical providers. In addition, knowledge and training of providers on OneConnect should improve the complexity of billing in MedAptus that frequently results in the misallocation of charges to the primary service instead of the Nocturnal Program.*

Observation 4:

**Comply with Requirements for Verbal and Telephone Orders**

**RANKING: Low**

Nocturnal Program Clinical Specialists utilize verbal and telephone orders when treating patients. According to Institutional Policy (CLN0613, *Verbal/Telephone Orders From Physicians and Advanced Practice Providers*), verbal and telephone orders must be signed and dated by the issuing provider within 48 hours. Internal Audit reviewed Critical Care Verbal and Telephone Order reports issued by the Department of Health Information Management (HIM) from April to August 2015 to identify any instances of non-compliance by Nocturnal Program physicians.

Our review revealed that:

- Fourteen Clinical Specialists have been cited by HIM for non-compliance;
- Seven of the 14 Clinical Specialists cited have been reported on more than one occasion, accounting for 72% (103) of all citations; and
- Citations in the month of July resulted in a compliance rate of 93%, which is below the institutional goal of 95%.

The Director of Acute Care Services does not receive the Critical Care-Nocturnal Program Verbal and Telephone Order reports; therefore, management is not able to monitor instances and frequency of physicians' non-compliance.

**Recommendation:**

We recommend management coordinate with HIM to obtain and monitor Nocturnal Program providers' compliance with Institutional and Joint Commission guidelines regarding verbal and telephone orders. In addition, we recommend management develop a plan to address Clinical Specialists who are cited on a consistent basis.

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Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Kimberly Tripp

Observer: Wenonah Ecung, Ph.D.

Due Date: 5/31/2016

*The Director of Acute Care Services will notify the Department of Health Information Management (HIM) to receive the monthly Critical Care Verbal and Telephone Order reports for clinicians within the division, including moonlighting clinical specialists. The Director will develop a plan in collaboration with the Medical Director of the Nocturnal Program that includes, but is not limited to, a monthly review of the Critical Care Verbal and Telephone Order report; creation and distribution of standard communication/education of moonlighting clinical specialists regarding Policy CLN0613; and development of standard operating procedures for non-compliance up to and including loss of moonlighting privileges.*

## Observation 5:

**Documentation of Standard Operating Procedures****RANKING: Low**

The Nocturnal Program is administratively supported by a Director and one Program Manager. At the beginning of our review, management was in the process of documenting standard operating procedures (SOPs) to ensure accountability, efficiency, consistency, and cross-training among team members. As of the end of fieldwork, the program had created several SOPs, and although not all of the documents had been finalized, the administrative team had made commendable progress.

According to Institutional Policy, ADM0123, departments are responsible for establishing, maintaining, and supporting a system of Internal Controls and periodically reviewing department procedures to ensure that the general principles of the internal controls are followed. Documented department policies and operating procedures help ensure consistency in processes and transactions.

Recommendation:

We recommend management continue to document and implement administrative procedures and establish guidelines to review and update policies on a regular basis.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Kimberly Tripp

Observer: Wenonah Ecung, Ph.D.

Due Date: 5/31/2016

*The Director of Acute Care Services will work with the Program Manager for the Nocturnal Program to complete documentation of standard operating procedures (SOPs) for the program. Since inception, the Nocturnal Program has experienced tremendous growth and management has consistently made adjustments to improve the efficiency of various processes. These efforts will continue as the program reaches the stabilization phase of its life cycle.*

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## Appendix A

### Strategic Area: Operational

### Risk Type: Operational, Financial, Compliance

#### Objective, Scope and Methodology:

The objective of this review was to provide a general assessment of the internal controls over key administrative functions in the Nocturnal Program. Testing periods varied based upon the area or process reviewed; however, selected transactions occurred between September 2014 and June 2015.

We performed the following procedures:

- Interviewed key personnel responsible for the administrative and medical processes within the program.
- Examined program policies and procedures
- Reviewed Clinical Specialist rosters and e-mail distribution groups for completeness.
- Reviewed program schedules to ensure adequate coverage.
- Examined Cancer Medicine Fellowship Program to identify eligible and ineligible Fellows for the Nocturnal Program.
- Reviewed professional charges for reasonableness.
- Reviewed compliance with verbal and telephone order guidelines

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