

15-200 Physician Credentialing

Background and Objective

All new physicians must be credentialed through the Medical Staff & Credentialing Services (MSCS) department prior to being hired. MSCS is also responsible for monitoring all physicians' licensures and insurance for expirations. In addition, Joint Commission requires all physicians to be recertified every 2 years, which includes submission of an application, along with licenses, certifications, liability history, etc.

The objective of this engagement was to review MSCS processes for physician credentialing, recertification and monitoring of physicians' licensures and insurance for expirations to ensure compliance with Medical Staff Bylaws and government regulations.

Audit Results

Internal Audit identified areas of improvement related to the expiration of physicians' credentials and the completeness of the credentialing database (ECHO). The following is a summary of our findings:

- **Physician Access with Expired Controlled Substance Registrations** - Two physicians with expired Texas Department of Public Safety (DPS) controlled substance registrations were able to prescribe controlled substances that were later dispensed by Pharmacy.
- **Incomplete Credentialing Database (ECHO)** - During our testing, we observed numerous blank, inaccurate, outdated, and incorrectly labeled dates in the ECHO database.

Management Summary Response:

Management generally agrees with the recommendations and will implement all action plans by May 30, 2016 to allow time for Epic's implementation.

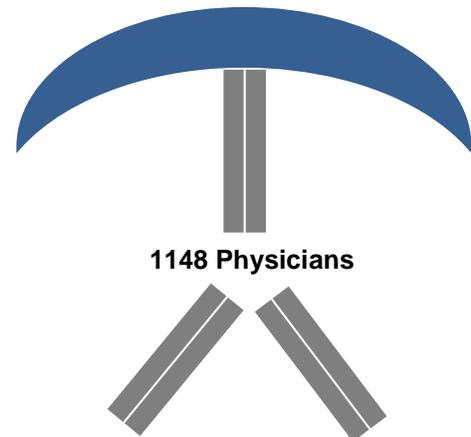
Appendix A outlines the scope, and methodology for this project.

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."

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Fiscal Year 2014
2 FTE dedicated to Physician Initial Credentialing
and 2 FTE dedicated to Recertification



100 New Physicians
Initially Credentialed

517 Physicians
Recertified

The courtesy and cooperation extended by the Medical Staff and Credentialing Services was sincerely appreciated.

Sherri Magnus

Sherri Magnus, CPA, CIA, CFE, CRMA
Vice President & Chief Audit Officer
August 27, 2015

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Observation 1:

Physician Access with Expired Controlled Substance Registrations

Two physicians with expired Texas Department of Public Safety (DPS) controlled substance registrations were able to prescribe controlled substances that were later dispensed by Pharmacy. While MSCS did notify the physicians of their approaching registration expiration, controls are not sufficient to prevent physicians from prescribing controlled substances. Noncompliance with federal and state controlled substance regulations increases the risk that a physician's registration will be suspended and significant fines could be incurred.

Recommendation:

Medical Staff and Credentialing Services should coordinate with the Epic Security Team to ensure physicians with expired credentials are prevented from providing patient services or prescribing controlled substances, as applicable.

Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Patsy Tatum

Observer: Wenonah Ecung, Ph.D.

Due Date: May 30, 2016

MSCS will continue the current notification process of practitioners whose licensure, certification and/or registration is set to expire. Upon actual expiration of a practitioner's licensure, certification or registration, the Epic security team will be included in the distribution email. Medical Staff leadership will determine the extent of Epic access to be removed as a result of expired licensure, certification and/or registration. When the expired licensure, certification and/or registration have been restored, MSCS will notify the contact designated by the Epic security team and communicated to MSCS.

Observation 2:

Incomplete Credentialing Database (ECHO)

Medical Staff and Credentialing Services (MSCS) uses the ECHO database to manage and monitor the expirations of credentials for physicians. Institutional Policy (ADM 123) states that management should have sufficient internal controls in place to ensure maintenance and reporting of reliable information. During our testing, we observed numerous blank, inaccurate, outdated, and incorrectly labeled dates in the ECHO database. Since MSCS uses these date fields to make decisions about expired credentials, an inaccuracy poses a significant risk that a medical license, controlled substance registration or malpractice insurance may expire and go undetected. Dates are entered manually into the ECHO system, and the errors appear to be due to human error and the lack of periodic oversight.

Recommendation:

Medical Staff and Credentialing Services should strengthen their monitoring process to ensure data captured and maintained in the ECHO database is accurate and current.

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Management's Action Plan:

Responsible EVP: Thomas Buchholz, M.D.

Owner: Patsy Tatum

Observer: Wenonah Ecung, Ph.D.

Due Date: October 30, 2015

The Director, MSCS and the Medical Staff Coordinators responsible for initial credentialing and recredentialing will run weekly ECHO reports to review data fields for blanks and inaccuracies.

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Appendix A
Strategic Area: Operational
Risk Type: Operational, Compliance

Scope and Methodology:

The scope of this review focused on activity from September 2013 to February 2015.

The following procedures were performed:

- Interviewed key personnel responsible for the physician credentialing, recredentialing and credentialing expiration process.
- Reviewed departmental processes, Institutional policies, and State and Federal regulations.
- Reviewed the initial credentialing and recredentialing processes to verify that it was in accordance with regulations.
- Reviewed MSCS communication process to key individuals regarding physician credentialing, recredentialing and credentialing expiration process.
- Performed data analysis on key credentialing and recredentialing timeliness metrics
- Reviewed the credentialing expiration monitoring process for Medical Licenses, DPS, DEA, and Malpractice Insurance

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

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