

UT Southwestern Medical Center

**The University of Texas Southwestern Medical Center
Park Cities Clinic Operational Audit
Internal Audit Report 16:18**

June 29, 2016

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Executive Summary

Background

The Clinical Center at Park Cities (Clinical Center) is one of three University of Texas Southwestern Medical Center (UT Southwestern) remote clinics providing exceptional care through leading-edge therapies and innovative treatments.

The Clinical Center opened in January 2013, serving patients in Obstetrics/Gynecology and Internal Medicine. Since then the Clinical Center has grown to fourteen providers serving patients in six specialties; Cardiology, Dermatology, Endocrinology, Obstetrics/Gynecology, Rheumatology, and Radiology. There were over 7,600 patient encounters during the scope period of the audit. See Appendix B for statistics on the volume of patient encounters by specialty.

There is a staff of six Clinic Staff Assistants (CSA) reporting to the Clinic Staff Supervisor, which is responsible for front office activities including scheduling, pre-appointment information, patient check-in and check-out, and point of service (POS) collections of patient co-pays, coinsurance and prior balances. At the time of the audit, the Clinic Manager position was open. The system of record for all patient encounters and billing information is Epic.

Scope and Objectives

The UT Southwestern Office of Internal Audit has completed its audit of the Park Cities Clinical Center front end and charge capture processes. This is a risk based audit and part of the fiscal year 2016 Audit Plan.

The audit scope period included activities of the Clinical Center from December 2015 to May 2016. Audit procedures included interviews with management, review of policies and procedures, substantive testing and data analytics.

We conducted our examination according to guidelines set forth by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

Executive Summary

Fieldwork consisted of the following primary objectives:

- Adequate controls are in place for scheduling and the gathering of required pre-appointment information.
- Payments received at the clinic are adequately safeguarded and processed in accordance with policies and procedures.
- Adequate controls exist for charge capture processes to ensure completeness and timeliness of charges.
- Clinic performance metrics and monitoring processes are in place.

Conclusion

Included in the table below is a summary of the observations noted, along with the respective disposition of these observations within the UT Southwestern internal audit risk definition and classification process. See Appendix A for Risk Rating Classifications and Definitions.

Priority (0)	High (0)	Medium (0)	Low (2)	Total (2)
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Overall, processes and controls were in place and operating effectively. Specific strengths identified during the audit include:

- Procedures are effective to verify patient insurance eligibility prior to the scheduled appointment.
- Procedures are in place to calculate estimated charges and communicate estimated co-insurance charges prior to the scheduled appointment.
- Procedures are in place to reconcile the day's activity and ensure final appointment statuses in the Epic system are accurate.
- Key performance metrics are reported and monitored effectively.

There were no significant (high risk) issues identified. Management has plans to address the low risk issues identified in the report. These responses are listed in the Detailed Observations and Action Plans Matrix (Matrix) section of this report.

Executive Summary

We would like to take the opportunity to thank the departments and individuals included in this audit for the courtesies extended to us and for their cooperation during our review.

Sincerely,

Valla Wilson, Assistant Vice President for Internal Audit

Audit Team:

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Stan Taylor, M.D., Associate Vice President and Chief Medical Officer for Ambulatory Care

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p>Risk Rating: Low ●</p> <p>1. Close Open Encounters Within Seven Business Days</p> <p>The most recent bi-monthly Open Encounters Report indicates one provider had a large number of open encounters, with fourteen of those encounters still open more than 60 days after the scheduled visit.</p> <p>These open encounters represent, in many cases, missed charges where patients have been seen in the clinic but charges have not been posted to their account.</p> <p>This provider's open encounters have been identified as a problem by Billing and Ambulatory management, with evidence of some recent progress.</p>	<ol style="list-style-type: none"> 1. The Open Encounters Report should be reviewed by Ambulatory management in order to identify potential missing charges. Communications to providers should be sent as open encounters are identified. 2. Escalation procedures should be established for providers that do not respond within seven days to the open encounters reminders. 	<p><u>Management Action Plans:</u></p> <ol style="list-style-type: none"> 1. We communicate with the providers monthly on the status of their open encounters. One provider has had continued issues with closing encounters that had been escalated to the Department Chair. 2. We will meet with the provider to outline corrective action weekly and set due dates to close old encounters. We will also discuss next steps with Department Chair. <p><u>Action Plan Owners:</u></p> <p>Assistant Vice President, Ambulatory Clinical Operations and Training</p> <p><u>Target Completion Dates:</u></p> <ol style="list-style-type: none"> 1. Completed 2. August 1, 2016
<p>Risk Rating: Low ●</p> <p>2. Ensure Independent Review Is Performed for All Cash Drawer Batch Reports</p> <p>The CSA Supervisor does not obtain an independent review and signoff on her own cash drawer Batch Reports. While each CSA is required to obtain an independent review and signoff by the Supervisor or another CSA on their cash drawer Batch Reports before closing out their cash drawer at the end of each day, no such independent review and signoff is obtained for the Supervisor's own Batch Reports.</p> <p>The Supervisor's daily cash drawer reports should be reviewed by an independent party.</p>	<ol style="list-style-type: none"> 1. Establish procedures for independent review of the Supervisor's daily cash drawer reports. 	<p><u>Management Action Plans:</u></p> <ol style="list-style-type: none"> 1. The CSA Supervisor occasionally must cover check-in duties. Effective immediately, on days when the CSA Supervisor opens a cash drawer, there will be a documented review of her Batch Report by the Clinic Manager or other independent party. <p><u>Action Plan Owners:</u></p> <p>Assistant Vice President, Ambulatory Clinical Operations and Training</p> <p><u>Target Completion Dates:</u></p> <ol style="list-style-type: none"> 1. Completed

Appendix A – Risk Classifications and Definitions

As you review each observation within the Detailed Observations and Action Plans Matrix of this report, please note that we have included a color-coded depiction as to the perceived degree of risk represented by each of the observations identified during our review. The following chart is intended to provide information with respect to the applicable definitions and terms utilized as part of our risk ranking process:

Risk Definition - The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.	Degree of Risk and Priority of Action	
	Priority	An issue identified by internal audit that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.
	High	A finding identified by internal audit that is considered to have a high probability of adverse effects to the UT institution either as a whole or to a significant college/school/unit level. As such, immediate action is required by management in order to address the noted concern and reduce risks to the organization.
	Medium	A finding identified by internal audit that is considered to have a medium probability of adverse effects to the UT institution either as a whole or to a college/ school/unit level. As such, action is needed by management in order to address the noted concern and reduce risk to a more desirable level.
	Low	A finding identified by internal audit that is considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college/ school/unit level. As such, action should be taken by management to address the noted concern and reduce risks to the organization.

It is important to note that considerable professional judgment is required in determining the overall ratings presented on the subsequent pages of this report. Accordingly, others could evaluate the results differently and draw different conclusions. It is also important to note that this report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate

Appendix B – Park Cities Clinic Encounters

