utmb Health

MEMORANDUM

TO: Katrina Lambrecht, JD, MBA
Vice President, Health System Operations & Regional Hospitals

FROM: Kimberly K. Rogers, CPA, CIA, CISA, CRMA
Vice President, Audit Services

DATE: August 27, 2019

SUBJECT: Delivery System Reform Incentive Payment Program Audit
Engagement Number 2019-008

Attached is the final audit report regarding the Delivery System Reform Incentive Payment Program audit. This audit will be presented at the next Institutional Audit Committee meeting.

Additionally, please find attached Audit Services audit recommendation follow up policy. Each of the recommendations is classified by type at the end of its identifying number: System Priority (SP), Risk Mitigation (R), or Process Improvement (P). As you will note in the policy, the classification of the recommendation determines the frequency of our follow up. All follow up results are reported quarterly to the Institutional Audit Committee.

Thank you for your cooperation and assistance during the course of this review. If you have any questions or comments regarding the audit or the follow-up process, please feel free to contact me at (409) 747-3277.

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utmb Health

The University of Texas Medical Branch
Audit Services

Audit Report

Delivery System Reform Incentive Payment Program Audit
Engagement Number 2019-008

August 2019

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Background

The Delivery System Reform Incentive Payment program (DSRIP) uses federal funding to support hospitals as part of the Social Security Act Section 1115 waiver programs. The stated objectives are to transform patient care delivery through innovation designed to improve the patient experience of care, improve the health of populations, and reduce the per capita cost of health care.

The State of Texas' 1115 Medicaid Waiver program is approved by the Centers for Medicare and Medicaid Services (CMS) in agreement with the Texas Health and Human Services Commission (HHSC). Texas has 20 Regional Healthcare Partnerships consisting of 300 performing providers; UTMB Health serves as the anchor institution for Region 2, comprising 16 counties in east and southeast Texas. The Texas 1115 Waiver had an initial 5-year program from December 2011 through September 2016 focused on individual DSRIP projects with incentives/ reimbursement based on milestones. The initial program contributed $56 million to UTMB Health's efforts through the end of FY17.

After the initial program, CMS approved a six-year DSRIP extension phase for Texas based on a new waiver from October 2016 through September 2022. For the new waiver period the DSRIP incentive focus shifted from project milestones towards Population Health quality measures. Based on these requirements, UTMB Health selected 30 quality measures bundled into 5 categories: Diabetes Care, Heart Disease Care, Adult Preventive Primary Care, Cancer screening, Pediatric Primary Care. With the change from project-based to system-wide initiatives, accurate data collection and reporting are crucial for tracking progress and receiving federal match payments. UTMB Health, with support from the implementation partner Health Catalyst, developed and implemented a UTMB Discover Population Health application as a tool for data collection and reporting. This application calculates metrics based on a central repository of clinical, operational, research, and financial data. UTMB Health recently completed a DSRIP reporting submission for an annual incentive payment of $11.7 million.

UTMB Health's DSRIP program is supported by the Waiver Operations team within the Office of the President reporting to the Vice President, Health System Operations and Regional Hospitals. The Waiver Operations team includes the Associate Vice President Waiver Operations & Community Health Plans and the Director Waiver Quality Operations who also serves in the regional DSRIP anchor role.

Audit Objectives

The primary objective of this audit is to assess program governance, processes, systems, and change controls based on a focused risk assessment using an operational and IT audit approach.

Scope of Work and Methodology

Our audit scope of detailed testing will include data and activity from the second 1115 Waiver during the period October 2017 through December 31, 2018.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* as promulgated by the Institute of Internal Auditors.

Delivery System Reform Incentive Payment Program Audit
Engagement Number: 2019-008

Audit Results
Governance

The Vice President, Health System Operations & Regional Hospitals chairs the Population Health Oversight Committee which was created to review monthly a variety of topics including DSRIP program status with key stakeholders in Hospital Administration, Faculty Group Practice, and the President's Office. We noted no minutes are maintained of this meeting, increasing the risk that decisions and action items are not implemented or followed up on as planned.

Recommendation 2019-008-01-PL:
The Vice President, Health System Operations & Regional Hospitals should ensure minutes of the Population Health Oversight Committee are maintained appropriately documenting decisions and actions.

Management's Response:
Going forward, formal attendance and meeting documentation will be maintained under the direction of the Vice President, Health System Operations & Regional Hospitals.

Implementation Date:
September 9, 2019

Audit Services analyzed relevant DSRIP information, documentation and interviewed members of the Population Health Oversight Committee, the Waiver Operations team, and completed clinic site visits to assess roles and responsibilities, education, and communication.

It was identified that DSRIP measures training had been provided to clinic personnel and that quarterly reports on measures are being shared. However, during our interviews with clinic personnel differences between receipt and/or access of Population Health statistics were articulated. As part of the Community Wellness and Outreach Plan increased resources are being deployed with the objective to strengthen communications and create more consistency of information flow across the clinics.

Audit Services completed a walkthrough of the recent DSRIP reporting process, noting that the reporting checklist was appropriately and timely submitted to the Texas Health and Human Services DSRIP online reporting system. Our review confirmed that the DSRIP reporting process is following applicable policies and requirements.

During the initial DSRIP waiver, HHSC performed audits and further audits are expected under the current DSRIP waiver. Audit Services obtained and reviewed relevant DSRIP information /documents and determined there appears to be adequate support in preparation for future regulatory audits, as well as how past reported issues were closed out.

Measures
The Waiver Operations team monitors each of the DSRIP measures daily using both the UTMB Discover Population Health application tool as well as an Excel spreadsheet. The DSRIP Workgroup, has included representatives from Health Catalyst and various UTMB departments, including the President's Office, Information Systems, Clinical Data Management, Care

Delivery System Reform Incentive Payment Program Audit
Engagement Number: 2019-008

Management Administration, and selected Physicians. The Workgroup has met biweekly to assess the measures in detail, including review and validation of any changes to the measures.

Audit Services noted the DSRIP Workgroup does not maintain an action tracking or change log to track changes to the measures, increasing the potential risk that actions or changes are not implemented. Health Catalyst was unable to provide a complete changes log.

Recommendation 2019-008-02-PM:
The Associate Vice President Waiver Operations should ensure the DSRIP Workgroup maintain action tracking and a change log to ensure changes are appropriately monitored and implemented.

Management's Response:
Going forward, formal documentation of code changes and significant functionality enhancements will be maintained under the direction of the Associate Vice President, Community and Population Health.

Implementation Date:
September 1, 2019

Audit Services reviewed a sample of measures from each of the 5 DSRIP bundles to understand how measures were designed, tested and implemented, and validated the relevant Health Population calculation. Additionally, we tested the accuracy of measures in comparison to a sample of source Epic data. No issues or exceptions were identified for the sampled measures in design or source data comparison.

However, a sample review of baseline data files supporting reporting found that not all files were appropriately archived. Waiver Operations recognized the need to enhance the archive process to ensure that files supporting reporting submissions are available in future periods should the need arise.

UTMB Discover Population Health Application
The development of the UTMB Discover Population Health application is an important element supporting the DSRIP program and future Population Health initiatives.

The UTMB Discover Population Health application implementation project initiated in April 2018 had formal project governance supported via a steering committee, clear project roles and defined stakeholders. There was significant engagement with the Waiver Operations team with extensive documentation of the measures, performance of testing/validation and formal sign-off. Targeted user training was performed to support go-live and project acceptance was formally signed off in September 2018.

Health Catalyst maintains the cloud-based infrastructure supporting the UTMB Discover platform, including the Population Health application. Following the 2018 development project, part of the Health Catalyst project team continued working with Waiver Operations until July 2019 to support application enhancements. The vendor commitment is currently being scaled back with the plan to transition to internal support. The forward support is shared between Health Catalyst for maintenance, the Information Services Business Intelligence and Data

Delivery System Reform Incentive Payment Program Audit
Engagement Number: 2019-008

Administration (BIDA) team for Epic integration and data marts, and the Clinical Data Management team for the QlikView user front-end. Given multiple parties and limited technical documentation there is potential risk that transition of support may not fully meet the requirements of Waiver Operations.

Recommendation 2019-008-03-RM:

The Business Intelligence and Data Administration Director, supported by the Clinical Data Management Director, should ensure formalized support procedures are developed for the UTMB Discover Population Health application with appropriate responsibilities and service levels. This support should be facilitated by adequate knowledge transfer and creation of technical documentation. The transition to internal processes including change control should be completed.

Management's Response:

The Business Intelligence and Data Administration Director and the Clinical Data Management Director will work together to ensure that support for the UTMB Discover Population Health application is fully transitioned to internal UTMB teams. A full documentation of support responsibilities between BIDA and CDM, as well as support service levels to the customer (Waiver team) will be maintained. BIDA and CDM will ensure that knowledge transfer occurs between the vendor and internal teams and adequate technical documentation is place. Transition of current change control processes to internal UTMB Discover change control processes will also be completed.

Implementation Date:

May 31, 2020

For the UTMB Discover Population Health application, Audit Services confirmed access control as appropriate. It was noted that following the recent Epic upgrade an ongoing user performance impact continues with the application data load. The approach to rectify this issue and manage forward Epic upgrades is currently under review with the BIDA team.

Conclusion

Overall, Audit Services determined the establishment an appropriate control environment supporting the DSRIP Program objectives. Areas for process improvement included the minuting of decisions, actions and maintenance of a change log. A risk concern is the forward support arrangements for the UTMB Discover Population Health application, which need to be formalized and knowledge transfer completed.

We greatly appreciate the assistance provided by the President's Office and Information Services staff and hope that the information presented in our report is beneficial.

Kimberly K. Rogers, CPA, CIA, CISA, CRMA
Vice President, Audit Services

Mark Stacey, FCA, CISA
IT Audit Services Manager