

UT Southwestern Medical Center

Offsite Clinic Operations

UT Southwestern Medical Center at Las Colinas

Internal Audit Report 19:18

March 28, 2019

Table of Contents

I. Executive Summary	3
· Background/Scope and Objectives	3
· Conclusion	4
II. Detailed Observations and Action Plans Matrix	7
III. Appendices	10
· Appendix A – Risk Classifications and Definitions	10

Executive Summary

Background

The UT Southwestern Medical Center at Las Colinas (Las Colinas Clinic) is located at the Tuscan Professional Building in Irving, Texas. The Las Colinas Clinic, which opened in November 2017, includes six specialties: (1) Digestive Disease, (2) General Internal Medicine, (3) Orthopedic Surgery, (4) Physical Medicine and Rehabilitation, (5) Spine Clinic and (6) Obstetrics and Gynecology (OB/GYN). OB/GYN was already operating at that location as a standalone specialty.

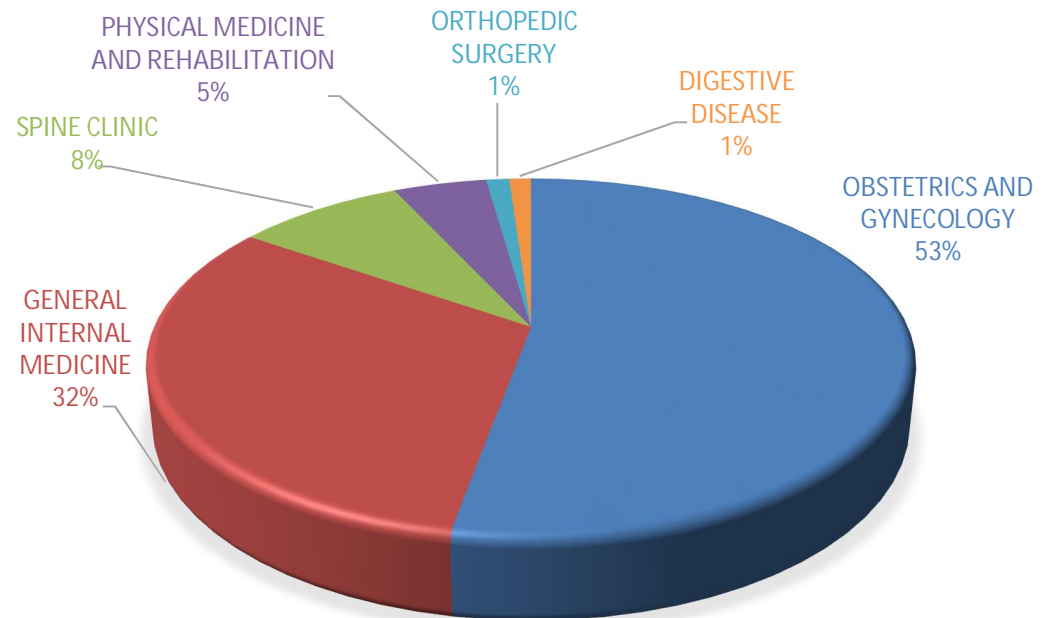
The UT Southwestern Ambulatory Operations group manages the clinic. A Director (hired in February 2019) and an Assistant Director are responsible for the clinic administrative oversight and monitoring of key revenue cycle processes for all specialties at the Las Colinas Clinic, excluding the OB/GYN specialty, which is independently managed by the UT Southwestern Department of OB/GYN.

A combined ten employees across the six specialties are responsible for key revenue cycle activities, including registration and co-pay and deductible collections. Credit cards and checks are the only methods of payments accepted at the Las Colinas Clinic. No cash is accepted.

A central registration group and two designated Las Colinas patient access representatives complete patient scheduling and pre-registration activities for the Las Colinas Clinic. Providers are responsible for documenting and entering charge codes in the electronic medical record (Epic) for services provided to patients and for closing the encounters. The UT Southwestern Revenue Cycle team performs billing activities for the clinic.

Epic is the system used to schedule patient appointments, document patient care, record all patient encounters and facilitate billing to patients and payers.

LAS COLINAS PATIENT VOLUME BY SPECIALTY



The pie chart to the right illustrates patient visit volume by specialty in the Las Colinas Clinic for January 2018 through December 2018.

Executive Summary

Scope and Objectives

The Office of Internal Audit has completed its Offsite Clinic Operations audit. This was a risk based audit and part of the fiscal year 2019 Audit Plan. The audit objectives were to assess the effectiveness and efficiency of operational processes and internal controls that ensure achievement of objectives, compliance with key institutional policies and procedures, safeguarding of assets and accuracy of reporting for:

- Timely and complete patient scheduling and registration,
- Accurate, complete and timely patient charge entry and daily reconciliations,
- Appropriate patient communications, collection and posting of patient payments,
- Appropriate cash management practices,
- Appropriate segregation of duties, and
- Adequate monitoring controls in place to ensure processes are working as designed.

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

Conclusion

Overall, processes and controls for front-end procedures were in place and operating effectively at the Las Colinas Clinic. There are opportunities to improve segregation of duties for key functions, improve monitoring of denials and insurance coverage and provide staff refresher training on specific front-end procedures. Both monitoring and training will aid in efficient and effective processes and help to further streamline the front-end procedures.

The following table provides a summary of the observations noted, along with the respective disposition of these observations within the Medical Center internal audit risk definition and classification process. See Appendix A for Risk Rating Classifications and Definitions.

Priority (0)	High (0)	Medium (1)	Low (2)	Total (3)
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1. **Improve Segregation of Duties for Key Functions** – The Las Colinas front desk staff, excluding OB/GYN, performs conflicting (non-segregated) duties by both receiving patient payments and processing voids and refunds. This increases the risk of errors or inappropriate voids or refunds.
2. **Enhance Training Opportunities for Staff Awareness on Appropriately Changing Appointment Statuses** – Clinic staff are performing procedural errors in updating patient appointment statuses, resulting in inaccurate information for reporting and monitoring of patient billing.

Executive Summary

- 3. **Enhance Performance Monitoring by Including Denials and Missing Insurance Coverage** – Denials and missing patient insurance coverage information is not included in key performance metric monitoring reports. Not monitoring these key metrics can result in inefficient operations.

Management has plans to address the issues identified in the report and in some cases has already implemented corrective actions. These responses, along with additional details for the key improvement opportunities listed above, are in the Detailed Observations and Action Plans Matrix (Matrix) section of this report.

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 audit.

Sincerely,

Valla F. Wilson, Associate Vice President for Internal Audit, Chief Audit Executive, Interim Chief Compliance & HIPAA Privacy Officer

Audit Team:

Melinda Lokey, Director
Robin Irvin, Manager
Angeliki Marko, Supervisor
Sunna Farooq, Auditor


Executive Summary

cc: Candace Baer, Associate Vice President, Ambulatory Operations
Steven Bloom M.D., Professor and Chair, Obstetrics Department
Marisa Calder, Director, Front End Medical-Surgical Billing, Medical Group Billing Operations Administration
Kathryn Flores, Assistant Vice President and Chief Information Officer, University Hospitals
Lisa Hall, Assistant Director, Clinical Operation, Ambulatory Services Administration
Kelly Kloeckler, Associate Vice President, Revenue Cycle Operations
W. P. Andrew Lee, M.D., Executive Vice President for Academic Affairs and Provost, Dean, University of Texas Southwestern Medical School
Marc E. Milstein, Vice President & Chief Information Officer, Information Resources
Calvin Mitchell, Director, Ambulatory Business Services
Vinod Nair, Director, Revenue Cycle & Business System, IR Health Systems
Brian Rasmus, Associate Vice President, Finance Practice Plan
Mark Rauschuber, Associate Vice President & Chief Information Officer, Health System, IR Health Systems
Krystal Richardson, Director, Revenue Cycle Operations, Patient Financial Services, University Hospitals
Renuka Sundaresan, Director, Ambulatory Operations, Ambulatory Services Administration
Seth Toomay, M.D., Chief Medical Officer and Associate Vice President, Ambulatory Operations
John Warner, M.D., MBA, Executive Vice President Health System Affairs & Chief Executive Officer, University Hospitals
Denise Weaver, Clinic Manager, Obstetrics Clinic Administration

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p>Risk Rating: Medium ■</p> <p>1. Improve Segregation of Duties for Key Functions</p> <p>The Las Colinas front desk staff, excluding OB/GYN, performs conflicting (non-segregated) duties by both receiving patient payments and processing voids and refunds. This increases the risk of errors or inappropriate voids or refunds.</p> <p>The clinic has limited staff on site without defined, separate key responsibilities.</p>	<ol style="list-style-type: none"> 1. Eliminate segregation of duties conflicts by separating staff responsible for receiving payments from staff responsible for processing voids and refunds. This will ensure transactions are appropriately reviewed and authorized. 2. During the transition phase to separate duties, establish and implement procedures to obtain and review detailed void and refund transaction reports. 	<p><u>Management Action Plans:</u></p> <ol style="list-style-type: none"> 1. We are in progress for reviewing the detail void and refund report in order to authorize and approve. 2. The new clinic manager will start on May 1, 2019 and will be responsible for approving void and refund transactions. <p><u>Action Plan Owners:</u></p> <p>Assistant Director, Clinical Operations Customer Service Associate (CSA) Coordinator</p> <p><u>Target Completion Date:</u></p> <ol style="list-style-type: none"> 1. Completed 2. May 1, 2019

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p>Risk Rating: Low </p> <p>2. Enhance Training Opportunities for Staff Awareness on Appropriately Changing Appointment Status</p> <p>Clinic staff are performing procedural errors in updating patient appointment statuses, resulting in inaccurate information for reporting and monitoring of patient billing.</p> <p>The following are examples of the incorrect status updates:</p> <ul style="list-style-type: none"> · Updating and leaving the status as “No Show” when a patient arrives late for their scheduled appointment, which prevents the Epic system from automatically updating the encounter as “Complete”. This results in inaccurate billing reports of “No Show” encounters with associated visit charges. · When a patient reschedules an appointment, the staff cancels the appointment and creates a new same day appointment encounter, resulting in an inaccurate clinic cancellation rate. <p>These errors are occurring due to limited understanding of the appropriate procedures for updating appointment statuses.</p>	<ol style="list-style-type: none"> 1. Implement periodic refresher training to reinforce awareness and re-educate staff on the importance of assigning the correct status to a patient appointment. 2. Establish periodic monitoring of patient appointment changes to confirm procedures are performed as intended. 	<p><u>Management Action Plans:</u></p> <ol style="list-style-type: none"> 1. We will have the central Epic training team come to the site and re-educate the staff on the proper workflow. We will ask the central team to provide a competency check-off. During staff meetings, we will continue discussing improvement opportunities for selecting patient appointment status. We will have a standing item in next month’s agenda. OB/GYN CSA’s will also performs periodic check in’s with their front desk staff to ensure appropriate selection of patient appointment status. 2. We will review periodic reporting of the results by comparing the Daily Appointment Report and the Professional Billing charges associated with the No Show and Cancellations to identify processing errors. <p><u>Action Plan Owners:</u></p> <p>Assistant Director, Clinical Operations Manager, OB/GYN Clinic Supervisor, OB/GYN Clinic</p> <p><u>Target Completion Date:</u></p> <p>May 1, 2019</p>

Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p>Risk Rating: Low n</p> <p>3. Enhance Performance Monitoring by Including Denials and Missing Insurance Coverage</p> <p>Denials and missing patient insurance coverage information is not included in key performance metric monitoring reports. Not monitoring these key metrics can result in inefficient operations.</p> <p>Clinic management utilizes performance metrics to monitor key operational indicators, such as point of service collections, patient satisfaction, patient responsiveness, and appointment statistics. However, current monitoring reports do not include information available for tracking two additional key metrics: denied claims and missing patient insurance coverage as clinic management was not aware this information was available.</p>	<ol style="list-style-type: none"> 1. Coordinate with the point of contact for denials information to identify a method to access data for denials and patient records with missing insurance coverage information. 2. Update periodic performance monitoring to include the additional resources to identify improvement opportunities for front-end operations. 	<p><u>Management Action Plans:</u></p> <ol style="list-style-type: none"> 1. We will request to obtain or get access to the insurance coverage report from the point of contact for denial information. We will review and follow up during staff meetings to ensure scanning of insurance cards. Additionally, we will have the central Epic training team come to the site to provide education. 2. We will review these reports and utilize as applicable to aid in performance monitoring and metric achievement for the clinic. <p><u>Action Plan Owners:</u></p> <p>Director, Ambulatory Operations Assistant Director, Clinical Operations Manager, OB/GYN Clinic Supervisor, OB/GYN Clinic</p> <p><u>Target Completion Date:</u></p> <p>May 1, 2019</p>

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 audit. 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 the 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.