



TEXAS

The University of Texas at Austin

Dell Medical School

Revenue Cycle

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Audit & Advisory Services

UT Austin's Agents of Change



AUDIT & ADVISORY SERVICES
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Executive Summary

Dell Medical School
Revenue Cycle
Project Number: AUS26ASCF0880

Audit Objectives

The objectives of this audit were to determine whether the Dell Medical School (Dell) denials management processes result in timely and accurate reimbursement for services rendered and to identify process improvement opportunities as Dell prepares for a new electronic health record (EHR) implementation.

Conclusion

Dell's denials management processes are generally effective in securing accurate reimbursements; however, limitations in the current EHR delay timely denials follow-up.

Audit Observations

No recommendations were provided. See Process Improvement Considerations.

Engagement Team

Ms. Melanie Tolen, CPA, Senior Auditor
Mr. Alex Zhang, Auditor I



Conclusion

Dell’s denials management processes are generally effective in securing accurate reimbursements; however, limitations in the current EHR delay timely denials follow-up.

Background

The current EHR at UT Health Austin (UTHA), the clinical practice of Dell, has created ongoing challenges for revenue cycle operations. The vendor generates profits by following up on and working denials directly, which discourages timely transfer to UTHA’s revenue cycle team. The EHR also lacks reliable denial tracking and reporting, and claims are frequently placed in inaccurate ‘hold’ status requiring manual monitoring and resolution. Despite these issues, UTHA generally processes denials appropriately and accurately once they are received.

In fiscal year 2024 (FY24), UTHA filed approximately 113,000 claims, and denial-related write-offs totaled approximately 2.4 percent of revenue, outperforming the industry benchmark of approximately 3 percent.¹ Although these write-off rates are favorable, delays in finalizing adjustments limit visibility into denial trends and increase accounts receivable balances.

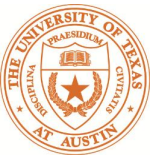
To address these challenges, UTHA is in the design phase of a new EHR scheduled to launch in 2026. Cross-functional workgroups are meeting weekly with the new vendor and subject matter experts to shape future design and workflow. This platform is expected to deliver greater automation, real-time denial categorization, and integrated dashboards. Denials management will also be consolidated within UTHA’s revenue cycle, creating clearer ownership and escalation paths.

Process Improvement Considerations

As Dell transitions to a new EHR, leadership should consider the following improvement opportunities:

- Most denials management policies were last updated in 2017 and no longer reflect current operations. A revenue cycle team has been established to update the policies; however, the effort was paused to prioritize the EHR implementation. The team should complete revisions to establish clear ownership and escalation responsibilities.
- Dell’s use of a single “coding and billing specialist” position title no longer aligns with current operations as Coders and A/R specialists now perform distinct functions. The existing classification limits accountability and performance management. Updating position titles will better reflect current responsibilities and support effective oversight.
- The overlapping Seton and Central Health Medical Access Program (MAP) contracts for ophthalmology result in persistent denials, duplicate work, and administrative burden. Automated payer rules in the new system should include contract terms so that claims are automatically and accurately routed to the appropriate payer.

¹ The Revenue Cycle Best Practices Guide (National Rural Health Resource Center, developed with Forvis Mazars) references denial management metrics and benchmarks in the ~3% range.



Scope, Objectives, Methodology, and Controls Assessment

This audit was conducted in conformance with The Institute of Internal Auditors’ *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards and meet the independence requirements for internal auditors. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives.

The scope of this review included FY24 dates of service and FY24 denial-related adjustments.

Table: Objectives, Methodology, and Controls Assessment

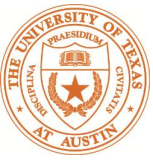
Audit Objective	Methodology	Controls Assessment
Determine whether the denials management processes result in timely and accurate reimbursement for services rendered.	<ul style="list-style-type: none"> Reviewed policies, procedures, and workflows. Performed walkthroughs with Revenue Cycle leadership and staff. Tested a sample of denials and related adjustments for timing, accuracy, and completeness. 	Generally effective
Identify process improvement opportunities as Dell prepares for a new EHR implementation.	<ul style="list-style-type: none"> Outlined workflows and corresponding roles and responsibilities. Reviewed revenue cycle management best practices and identified process improvements. 	Opportunities outlined in report

Report Submission

We appreciate the courtesy and cooperation extended throughout the audit.

Respectfully Submitted,

Sandy Jansen, CIA, CCSA, CRMA, Chief Audit Executive



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