

Pathology & Laboratory Medicine Charge Capture Review

Executive Summary

The Pathology and Laboratory Medicine division (the Division) is comprised of three clinical care support departments (Anatomical Pathology, Laboratory Medicine and Hematopathology) and one basic science and translational research department (Translational Molecular Pathology). The Division is the integral bridge between basic and translational research and clinical care, acting as a critical starting point for patient care at MD Anderson.

Audit Results

Our review evaluated the adequacy and effectiveness of processes and controls related to charge capture, ensuring that services provided are accurately recorded and billed. Internal Audit confirmed that management has implemented established processes and workflows, supported by a specialized team, to monitor clinical charges. These processes include but are not limited to the use of Epic work queues and monthly reconciliations designed to ensure charges are accurately recorded in the general ledger.

While existing controls provide a good foundation, the Division's charge capture environment is high-volume and operationally complex, elevating the need for consistent and robust oversight. As a result of the review, we were not able to determine whether all charges were captured for services rendered. We did, however, identify opportunities to enhance operations by strengthening the daily reconciliation process which will help ensure all charges are optimally captured.

Additionally, operations could be streamlined by:

- Improving the timeliness of case and test processing,
- Enhancing documentation for consult services, and
- Ensuring work queues are addressed promptly.

Finally, providing targeted education on coding requirements will improve accuracy and compliance within the charge capture process. Without improvement in these areas, it may negatively impact patient care, patient experience, and divisional revenues. Further details are outlined in the Detailed Observations section.

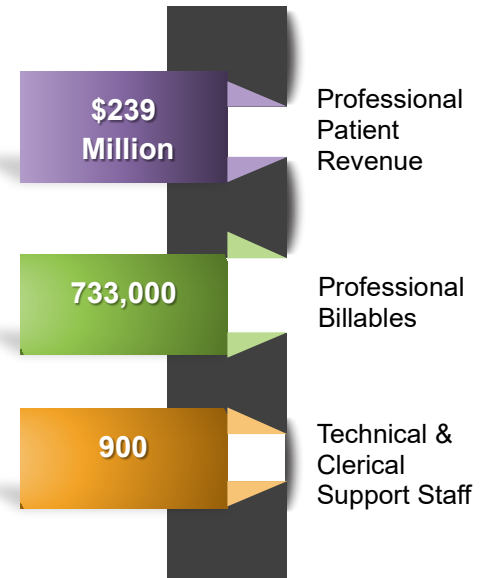
Appendix A: Objective, Scope, and Audit Methodology

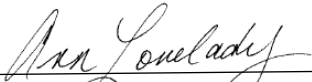
Management Summary Response:

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before 12/31/2026.

The courtesy and cooperation extended by the Pathology and Laboratory Medicine team are sincerely appreciated.

Key Financial & Operational Division Information for FY25




Ann Lovelady, CIA, CHIA, CFE, CRMA, CCSA
AVP and Chief Audit Officer Ad Interim
March 27, 2026

Detailed Observations

1. Enhance Daily Charge Capture Reconciliation

Ranking: **High**

The Division performs a centralized daily reconciliation between completed cases and tests in Epic/Beaker¹ and the corresponding posted professional and technical charges. The current process primarily focuses on identifying cases or tests with no associated charges. However, the process does not verify whether all expected charges have been captured. Cases and tests often generate multiple technical and professional charges, and missing elements such as an unposted professional charge, or incorrect quantities may not be detected. As a result, we were unable to confirm the completeness of charges captured as required by institutional policy. Using the current reconciliation methodology, instances where expected charges are not fully posted may go undetected, increasing the risk of incomplete billing and potential revenue leakage.

Management is aware of this issue and is actively working with the Beaker team to explore reporting enhancements to strengthen the reconciliation process. However, limitations in Epic's reconciliation and reporting tools, primarily designed for encounter-based services rather than complexity of pathology cases, tests and workflows, present challenges in this effort.

Recommendation

Management should continue working with the Epic/Beaker team to identify potential solutions in reporting that will enhance the daily charge capture reconciliation process and help ensure optimal charge capture for all completed cases and tests.

Management Action Plan

Due Date: 08/31/2026

Responsible Executive: Dr. Jeffrey Lee

Department/Division Executive: Dr. Donna Hansel

Owner: Madhura Sanyal

Reconciliation ownership will be separated by billing domain to strengthen accountability and oversight. The Division will manage Professional Billing (PB) reconciliation activities while Diagnostic Operations will oversee Hospital Billing (HB) reconciliation. The teams will continue collaboration with the Epic Beaker team to enhance reporting capabilities and develop standardized reconciliation reports that validate completeness of expected professional and technical charges. Reporting enhancements currently in development will support improved visibility into missing or partially posted charges and reduce risk of revenue leakage.

Methodology – PB charge capture group will perform daily and monthly reconciliation of signed out cases to billing data by patient MRN & CPT codes. Management will require reporting assistance from the Epic team.

¹ Beaker is the laboratory information system module within Epic that supports laboratory test ordering, processing, and results reporting.

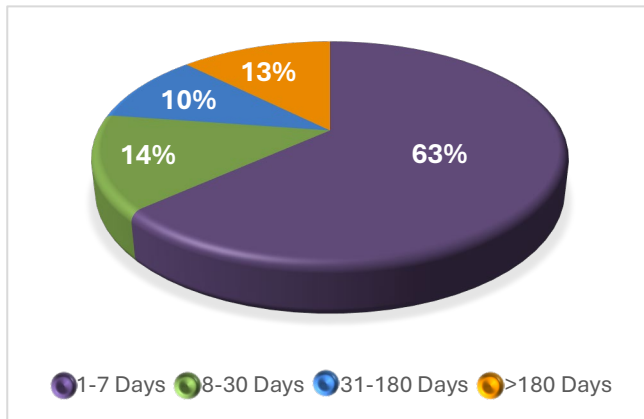
2. Improve Timely Processing of Cases and Tests

Ranking: **Medium**

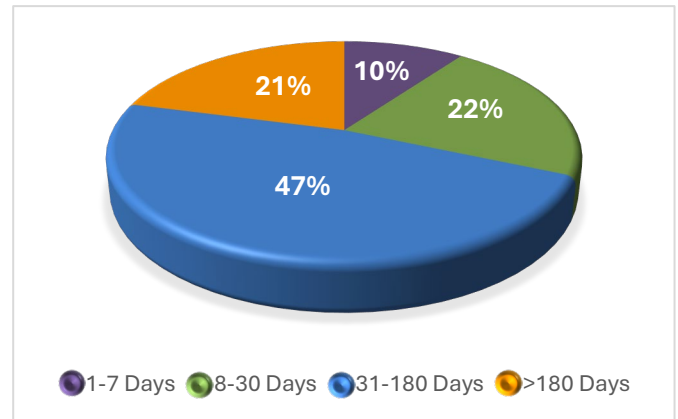
Within Beaker, a *case* generally refers to tissue-based specimens, such as biopsies, while a *test* represents laboratory analyses performed on fluid specimens, such as bloodwork. Both cases and tests must be completed and verified by a pathologist within the Beaker system before results are communicated to the patient and associated charges are generated. This verification step is essential to ensure diagnostic accuracy, appropriate communication of findings, and proper capture of billable services, as required by institutional policy.

Beaker produces a management report designed to identify and monitor cases and tests that have exceeded the expected 30-day turnaround time. As of January 14, 2026, a total of 671 cases were overdue, of which 23% had been outstanding for more than 30 days. In addition, 12,715 tests were overdue, with 68% exceeding the 30-day threshold. The chart below provides a detailed breakdown of the overdue cases and tests.

Aging of Overdue Cases
(Total 671)



Aging of Overdue Tests
(Total 12,715)



Delays in completing and verifying cases and tests may negatively impact patient experience and treatment plans, while also increasing the risk of missed charges, claim denials, and leading to revenue loss.

Recommendation

Management should enhance follow up process to ensure timely completion and verification of cases and tests in Beaker. Also coordinate with the Beaker team to clear old items outside the billing window.

Management Action Plan

Due Date: 08/31/2026

Responsible Executive: Dr. Jeffrey Lee

Department/Division Executive: Dr. Donna Hansel

Owner: Madhura Sanyal

The Division acknowledges the current backlog of pending cases and tests and has initiated structured review by distributing case information by provider for evaluation. Leadership will determine appropriate disposition pathways, including workflow resolution, process correction, or administrative closure when appropriate. Concurrently, standardized workflow expectations emphasizing turnaround timeframes and escalation points are being developed to prevent future aging and ensure cases are completed and verified in a timeframe that supports timely billing and patient result communication.

3. Enhance Timely Processing of Charge Capture Workqueues

Ranking: **Medium**

A review of Epic charge capture workqueues identified 37 transactions that had been pending for more than seven days as of December 10, 2025, with pending durations ranging from 8 to 99 days. These workqueues are designed to identify transactions with missing or inaccurate information.

Institutional policy requires that charges for services provided be posted within 24 to 48 hours. Delays in processing charge capture workqueues in Epic increase the risk of late or missed charges, claim denials, and potential revenue loss.

Recommendation

Management should strengthen monitoring and follow-up processes to ensure timely resolution of charge capture workqueues in Epic and compliance with posting requirements.

Management Action Plan

Due Date: Implemented

Responsible Executive: Dr. Jeffrey Lee

Department/Division Executive: Dr. Donna Hansel

Owner: Jovan Williams

The Charge Capture work queue transitioned to divisional ownership in October 2025. A process was implemented to ensure appropriate routing, monitoring, and timely resolution of pending transactions. Legacy items were reviewed and submitted for deletion through the established IT validation and approval process; due to system verification controls, completion required extended processing time. The work queue is monitored daily, with no charges pending beyond 24 hours. Any temporarily pending items are maintained solely for training or workflow validation purposes and are not related to unresolved charge activity. Ongoing monitoring procedures have been established to ensure continued compliance with institutional posting timelines.

4. Improve Documentation of Consult Services

Ranking: **Medium**

According to management, some consulting services provided by pathologists are performed informally and are not consistently documented in Epic. As a result, related charges are not being captured or billed for these services as required by institutional policy. Additionally, the absence of documentation in Epic prevents the time spent by pathologists being accurately reflected, which may negatively impact their reported productivity.

Management is aware of this issue and is currently coordinating with providers, the Coding team, and the Epic team to establish a formal process to ensure that all consulting services are appropriately documented in Epic and that corresponding charges are billed to patients.

Recommendation

Management should continue to collaborate with providers, the Coding team, and the Epic team to enhance documentation practices for consulting services, ensuring completeness, accuracy, and appropriate billing to patients.

Management Action Plan

Due Date: 12/31/2026

Responsible Executive: Dr. Jeffrey Lee

Department/Division Executive: Dr. Donna Hansel

Owner: Madhura Sanyal

Clinical consultation charge capture remains an ongoing collaborative initiative. The Division continues to work with providers, Coding, and Epic teams to strengthen documentation workflows and promote consistent use of Epic documentation tools. Workflow refinement and provider engagement will continue as part of ongoing initiative. We will establish FY27 consult services targets and conduct quarterly monitoring to ensure accurate and consistent charge capture.

5. Provide Targeted Education on Coding

Ranking: **Medium**

The Coding team has established workqueues in Epic to review professional charges for the Anatomical Pathology and Hematopathology departments. They also identify and review professional charges in the Laboratory Medicine department that meet specific criteria, such as missing information. In addition, the Coding team follows up with providers to make necessary changes and update documentation and coding when needed to ensure accuracy.

Discussions with management indicate that there is no regular review of trends or common documentation issues identified by the Coding team. Without regular review of coding trends and documentation issues, the Division misses opportunities for targeted education and process improvements. This can lead to repeated errors, increased rework, and inefficiencies in billing, ultimately affecting productivity, compliance, and timely revenue capture.

Recommendation

Management should identify opportunities for improvement and coding accuracy trends and provide targeted education to enhance documentation and ensure compliance.

Management Action Plan

Due Date: 08/31/2026

Responsible Executive: Dr. Jeffrey Lee

Department/Division Executive: Dr. Donna Hansel

Owner: Jeffrey Mize

The Coding team maintains established review processes and ongoing collaboration with providers to support documentation and coding accuracy. Management will reinforce education as part of standard compliance practices through periodic review of coding trends and documentation opportunities identified through existing workflows. The Division will bridge gaps between providers and documentation workflows through targeted education efforts. Coders will continue maintaining required certifications and participating in routine continuing education to ensure alignment with current coding guidelines and regulatory standards. These measures support ongoing quality improvement and promote consistency in documentation and coding accuracy across departments. The Division will document coding training session(s) with providers and staff occurring during the year.

Appendix A - Objective, Scope, and Methodology

The objective of the review is to determine if services provided were captured and recorded appropriately. The review covered processes in place for Fiscal Year 2025 to date and any related periods. Our procedures included, but were not limited to, the following:

- Interviews with key personnel and reviews of relevant organizational and divisional policies and procedures to gain insights into current charge capture processes.
- Analyses of charge capture data to identify potential anomalies, trends and areas for further evaluation.
- Examinations of activity reports for Epic Workqueues related to revenue cycle processes.
- Tests of monthly reconciliations between Epic and general ledger activity.
- Tests of daily charge capture reconciliations and related reports.

Our internal audit was conducted in accordance with the Global Internal Audit Standards. The internal audit function at MD Anderson Cancer Center is independent of the Generally Accepted Government Auditing Standards (GAGAS) requirements for internal auditors.

Audit team: Mahmud Mrad, Megan Dotson, Anthony Buancore, and Sacha Nouedoui

Number of Priority Findings to be monitored by UT System: None

A Priority Finding is defined as *“an issue identified by an 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.”*