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Tips for Success:
Outpatient Treatment Site Audits

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Overview

- CLINIC WORKFLOWS
- KEY PROCESSES/TOPICS
  - CONTROL POINTS
  - COMMON RISK EXPOSURES

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CLINIC WORKFLOWS

- PATIENT'S PERSPECTIVE
- CLINICIAN'S PERSPECTIVE
- CLINIC MANAGER'S PERSPECTIVE

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WORKFLOW – Patient's Perspective

- Schedules appointment
- Presents at clinic/signs in
- Answers intake questions, provides requested documentation
- Signs forms
- Remits payment
- Waits . . . . .

- Receives treatment/services

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WORKFLOW – Clinician's Perspective

- Treats patients (evaluation and management services and/or procedures)

- Documents services provided

- Generates revenue to satisfy obligation to fund agreed-upon compensation

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WORKFLOW – Clinic Manager's Perspective

- Accommodates physicians' hours of availability
- Coordinates treatment room assignment (time blocks for individual physicians)

- Hires, trains, manages front and back office staff
- Fosters the working environment/office culture
- Oversees payment collection, deposit preparation
- Monitors clinic finances (may be centralized)

- Troubleshoots

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Key Processes

- Appointment Scheduling/Patient Registration
- Patient Encountering
- Payment Handling
- Charge Capture
- Reconciliation Processes
- Separation of Duties




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More Topics

- Health Insurance Portability & Accountability Act (HIPAA) Compliance
- Controlled Substances Security
- General Security Features
- Staff Licensure
- Health Care Vendor Relations
- Emergency Medical Treatment and Active Labor Act (EMTALA)
- Other Required Signage

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Appointment Scheduling/Registration

- Scheduling – by faculty office assistants; clinic front desk staff, and/or central call center?
  - What other access rights do they have?
    - *(Can they delete appointments, mis-direct charge records, divert payments?)*
- Verify insurance coverage via software applications (use outside on-line information repositories; modules within the Electronic Health Record [EHR] system may also exist)
- Determine co-pay amount or self-pay liability
- Assign financial class code
- Determine if managed care referral authorization is needed/has been obtained

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Patient Encountering

- Obtain Patient Identification (Drivers license, passport)
- Create Medical Record Number if new patient
- "Encounter" patient – may create a visit number
- Financial Clearance - Get insurance card and make copy
  - Confirm co-pay obligation

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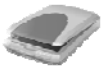
More Patient Encountering

- Obtain referral/authorization for services if managed care plan participant
- Have patient review "face sheet" demographics, not just be asked if anything has changed

- Have patient sign Terms & Conditions to permit treatment and acknowledge financial responsibility
  - Is it scanned into your EHR?



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And More Encountering – HIPAA NPP

- Provide Notice of Privacy Practices (NPPs) to new patients
  - obtain signed acknowledgment form

  - scan signed document into EHR
  - update system flag to reflect NPP issuance

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Payment Handling – Co-Pays & Discounts

- Accurate co-payments are determined and collected for all managed care patients -- what is your small balance write-off policy?

- Are professional courtesy discounts allowed? – (i.e., "bill insurance only") -- may violate payor requirements!

- Uninsured prompt pay discount --what is your campus policy? For example, reduction of 30% (or more if approved by designated executive level [e.g., CAO])

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Payment Handling – Discounts

- Any discounts given are documented and authorized by the physician, and comply with Faculty Practice Group discount policies

  - "Prompt pay" financial class codes generate no further billing
  - Possible risk of misuse to disguise theft

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More Payment Handling

- Payment is immediately recorded on system; hard copy patient receipt is generated
- Checks are endorsed immediately upon presentation
- Payment Code Industry (PCI) compliance is maintained for credit card transactions
- Credit card transactions are settled daily

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Voids - Beware!

- Voided transactions should be appropriately explained by cashier and approved by designated overseer.
  - Original receipt copies must be reclaimed, and all copies sent to designated oversight unit
  - Receipts might be reprinted to substitute for issued patient copy so as to disguise theft
  - Assess void frequency and time stamp - watch out for "end-of-day" flurry of cash voids

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Receipting Exposures

- Authorized back-up (downtime) manual receipts or "stationery store" receipt stock might be inappropriately substituted – need oversight – look in middle of stack of unused stock

- ***Income Limitation Plan (ILP) physicians' remittances create additional exposures***

➢ *Compensating Control - signage with facsimile of official receipt(s), instructing patients what to do if they don't get a proper receipt*

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Other Exposures!!

- Miscellaneous payments
  - Disability form preparation fees? Medical record copies? Supplies? How are these recorded/receipted?
  - **Watch for payments remitted to and retained by staff** (checks may be directed payable to them, with physician's acquiescence!)

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Cash Drawer Closing

- Cash drawers/logs should be closed daily (know your campus's systems/documents)
  - Record information in EHR module to settle drawer
  - Run automated reports (available in EPIC) to identify open drawers
  - Use manual or EHR system-generated reporting tool summaries to consolidate drawer totals – may be customized at your location)
- Beware of EPIC functionality to close drawer in out-of balance condition; no ability to reopen a cash drawer to correct mistakes - how are such instances handled by clinic? Are manual corrections made on printed reports?

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Deposit Practices

- All transfers of cash involve joint counting and verifying from the transferor to the recipient in the presence of both individuals
- The deposit preparer takes custody of the deposit after it is approved and secures it, pending pick-up by armed carrier, or transport to a Main Cashier's Office with Security escort
  - Individual campus policies for safety of personnel and funds may differ
- Deposits are made whenever collections reach $500 and no less than weekly (per BUS-49)

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Deposit Verification

- The deposit approver verifies that the deposit was made intact:
  - by checking the Main Cashier's Office receipt to match it to deposit amount approved, if deposits are made to a Main Cashier; or
  - by reviewing bank deposit acknowledgments (the latter may be monitored by the campus Financial Services/Accounting department)

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Clinic Management Monitoring

- Determine what reports are available from the central physicians' business office to confirm crediting of payments to the clinic, to the individual physician, and to the patient's account – Does clinic management review these weekly to detect missing collection dates?
  - o ***Audit should review available reports to detect anomalies***
  - o EPIC has a report that compares # of visits with co-pays due to # of co-pays collected
- ***Individual co-payment posting should be tested if deposits are missing on "cash lag" report.*** Otherwise, payment posting is not typically a clinic function.

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Administrative Monitoring

- Determine whether there is an over-arching reconciliation process at the central business office level to validate agreement amongst collections/deposits, patient account postings, and general ledger

- Are tools available and used to assess timeliness of deposits?

➢ ***Adapt clinic-level testing accordingly***

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Change Funds

- If change funds are used, they have been established through campus Financial Services and are periodically verified by clinic management in the presence of the fund custodian

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Payment Handling – Security Features

- Each payment processor ("cashier") has a unique lockable drawer for storing collections, to which only they have the key

- Find out who has back-up keys!! Are they secured via dual-access controls?

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Payment Handling – Safekeeping

- A locked receptacle or dual-locked safe (meeting BUS-49 standards) is on site for overnight storage of funds.
- If a safe is required based on the amount of collections stored, it is bolted to the floor.
- Dual locking mechanism consists of either a) two keys or b) one key **and a combination that is not overridden by the key**.
- Safe may have a "drop slot" – if so, dual-access is required to access dropped funds.
- Safe combination is changed whenever an individual who knows the combination leaves the unit's employment, and at least annually.

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Charge Capture – High Level Monitoring

- What monitoring protocols are in place?
- Is there a daily monitoring process to ensure that a charge is submitted for every patient visit? (e.g., ***EPIC Report of Open Encounters*** – to identify arrived encounters that have no professional charges entered)
- Is there a "***Missed Charges Report***" available to clinic management? (Requires local development – does it link back to scheduled appointments, arrived encounters, or ??)
- Are **paper charge** documents still used in some cases? How are those tracked?
- Timeliness of charge submission? What is your location's standard? (Obtain and review ***Charge Lag Reports***)

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Charge Capture

- Were visit charges actually submitted for billing purposes?
- Were they the right charges?
  - Evaluation/Management Services
  - Procedures

- Services provided must be adequately supported by signed and dated medical record documentation
  - (EHR or Manual)

  - *With EPIC, the provider has to sign and close the encounter in order for a charge to "drop"*
  - Documentation ⇨ *CPT/HCPCS codes; modifiers; accurate diagnoses in appropriate order*)

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Claim Submission

- What controls exist to ensure that the appropriate services/codes are accurately posted to the patient statement/claim?

  - How is the claim populated?
  - Is this an automatic feed? Are intermediary coders used?
  - What edits have been built?
  - What work queues exist? Who is responsible for working them? Have appropriate user access profiles been established?
- Should we validate clinic charges?
  - Could also consider doing as stand-alone audit

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Charge Validation Options

- Leverage Compliance Office assessments (Is MD Audit sampling tool being used at your location?)

- Audit & Advisory Services assessment options
  - Use outside coding consultants

  - "Contract" with your Compliance Office
- Select sample from Appointment Schedules, include representation from multiple providers and payors (government payors present higher risk)

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Reconciliation Processes

- An individual who is ***independent*** of payment handling processes performs a reconciliation of all submitted charges to the appointment schedule

  - Has EHR environment automated the process?
  - What exposures remain in the EHR environment?

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Separation of Duties

- Evaluate System Security/Access levels
  - Who can cancel/delete appointments and/or mark patient schedule as no show ("un-arrive")
    - ***Creates opportunities to divert co-pays and/or adjust/delete charges***

➢ Test appointments marked as no-shows against medical records

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HIPAA Compliance

- Patient Check-in and Check-Out Environment
  - ➢ Sign-in sheet - tabs to pull off? Visible to other patients? (Deemed acceptable, if no diagnosis is entered)
  - ➢ Notice of Privacy Practices
    - ➢ Full NPP posted, or
    - ➢ Brochures available for pick-up

- Is check-out area relatively private, especially for sensitive discussions related to follow-up care?

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More HIPAA Compliance

- Locked shredding bins available?
- Paper charts stacked in open areas?
  - *Even if scanned, hard copy print-outs are sometimes kept around for multiple weeks for easy review*
- Perform a walk-through (files are not in view of unauthorized individuals, conversations are discreet, surplus documents are placed in sealed shredding bins, workstations are logged off when unattended, etc.

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Still More HIPAA Issues

- Release of Information – done at clinic level or by Health Information Management Services?

  - *Is a tracking database used for disclosures (may be part of the EHR system [EPIC has a "quick disclosure" feature to log releases]) and, if so, is it updated by clinic personnel who release records?*
- Does clinic management perform regular environmental rounds to ensure that protected health information is kept securely?

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Controlled Substances Security

- Controlled substances are secured in a locked receptacle, accessible only to designated clinicians.
- Inventory/usage logs are properly notated when controlled substances are dispensed.
- The remaining inventory on hand is reconciled to the inventory/usage log whenever the receptacle is accessed.
- Two individuals witness any wastage of controlled substances.
- Expired drugs are identified and promptly returned to Pharmaceutical Services.
- Documentation is maintained to evidence verifications, returns, etc.

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General Security Features – Office Security

- Alarm system for office? Panic buttons at front counter?

- Has office had a "security evaluation" by trained University police officers, particularly if off-campus?
- Police response protocols?
  - University or Community?

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Other Security Considerations

- Employee background checks (BUS-49)
  - *Transferred-in employees may have been overlooked*
- Back-up key copies for cash drawers, safes, offices, etc. are maintained in a dual-locked repository, and no single individual can access the back-up keys on their own
- Key log maintained to account for key issuance
- All keys stamped "do not duplicate"

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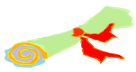
Staff Licensure

- Determine allied health professionals' licensure requirements (nurses, phlebotomists, x-ray technicians, etc.)



  - Who is responsible for new hire licensure verification and **renewal** monitoring?

➢ Test as appropriate

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Health Care Vendor Relations

- Drug samples are to be accepted only if the administrative head of the unit approves the donation and the quantities are limited to the amount needed for evaluation or education

- Food and other promotional items are not to be accepted from health care vendors



- Refer to UC Health Care Vendor Relations Policy, effective March 12, 2008:
  - http://www.ucop.edu/ucophome/coordrev/policy/PP031208Policy.pdf and FAQs at http://www.ucop.edu/ucophome/coordrev/policy/PP031208FAQ-041708.pdf
- Check local policies – do vendors have to pre-register with materials management before making visits?

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EMTALA

Emergency Medical Treatment and Active Labor Act

- Are on-site clinics that are operating under the hospital license aware of their EMTALA obligations?
- Solely calling 911 is not sufficient to respond to a medical emergency.

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Other Required Signage

NOTICE TO CONSUMERS
Medical doctors are licensed and regulated by
the Medical Board of California
(800) 633-2322
www.mbc.ca.gov

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✓ Questions ???

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Thank You!

Contact Information

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