



Meaningful Use Incentive Program

Internal Audit Report No. I2015-210

June 11, 2015

Prepared By

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**LISA DAHM, DIRECTOR OF CLINICAL INFORMATICS
HEALTH AFFAIRS INFORMATION SERVICES (HAIS)**

**MARCELE HAYMOND, ASSISTANT DIRECTOR
PROVIDER RELATIONS**

**RE: Meaningful Use Review
Report No. I2015-210**

Internal Audit Services has completed the review of the Meaningful Use (MU) incentive program and the final report is attached.

We extend our gratitude and appreciation to all personnel with whom we had contact while conducting our review. If you have any questions or require additional assistance, please do not hesitate to contact me.

Mike Bathke

Mike Bathke
Director
UC Irvine Internal Audit Services

Attachment

C: Audit Committee

Marion Mallory, Assistant Director Data Integration
Charles Podesta, Chief Information Officer, Health Affairs Information Services
Dr. Manuel Porto, Interim President, University Physicians and Surgeons
Linh Sithihao, Information Security Officer, Health Affairs Information Services

I. MANAGEMENT SUMMARY

In accordance with the fiscal year (FY) 2014-2015 audit plan, Internal Audit Services (IAS) reviewed certain controls relating to the UC Irvine Health's participation in the MU incentive program. The primary goal of MU is to improve the quality and efficiency of health care by encouraging health care professionals and hospitals to adopt and leverage the use of Electronic Health Records (EHR) technology.

Specifically, the review assessed whether process and procedures were in place to assure consistency and accuracy with respect to the MU data submitted. In general, internal controls and processes for the MU incentive program appear to be functioning as intended. However, opportunity for improvement to minimize risk and ensure compliance with MU requirements was noted in the following areas:

Documentation of MU Processes and Procedures – The MU processes and procedures have yet to be fully documented and the process is mostly ad-hoc. This observation is discussed in section V.1.

Validation of Measures Data (Measures) Submitted – Although the clinical outcomes Measures conform to MU measurement criteria, the hospital Measures used to demonstrate MU was not accurate for the 2014 hospital submission data. This observation is discussed in section V.2.

II. BACKGROUND

The MU incentive program for Medicare and Medicaid Services (CMS) was established by the American Recovery and Reinvestment Act of 2009 (ARRA) to promote the use of EHR technology by health care professionals and hospitals. The program provides financial incentives to health care professionals and hospitals that demonstrate "Meaningful Use" of EHR technology.

A concern was brought to the Compliance Office regarding the accuracy of some of the MU data submitted under the Medi-Cal Incentive program. On review, the Compliance Office confirmed a calculation error was made of the percentage of Medi-Cal patients for a number of providers for the 2011, 2012 and 2013

payment years. In order to qualify for a Medi-Cal Meaningful Use payment, the provider must have billed 30 percent or more of their services to a qualified Medi-Cal program. The error caused an inflation of the percentage of Medi-Cal patients for these providers. Consequently on July 25, 2014, the University Physicians and Surgeons made a voluntary refund of \$1,504,500 to Department of Health Care Services (DCHS). On June 4, 2015 UC Irvine Health received a letter from DCHS that their audit staff confirmed the error and overpayment of \$1,504,500. UC Irvine Health is also working with DCHS to correct the 2011 and 2012 data so that the physicians incorrectly reported as eligible for Medi-Cal MU Incentive payments can be appropriately moved to the Medicare MU Program

UC Irvine had received more than \$10M in MU incentive payments for the period of FY 2011-2013.

III. PURPOSE, SCOPE AND OBJECTIVES

The primary purpose of the audit was to assess UC Irvine Health processes and procedures with respect to Eligible Providers (EPs) and Eligible Hospitals (EH) eligibility identification and enrollment, MU measures in EHR, registration and attestation and monitoring. Also reviewed the re-extracted data related to eligible providers for the payment years 2011, 2012, and 2013 on a sample basis.

Based on the assessed risks, the following audit objectives were established.

The audit included the following objectives:

1. Assess the process to determine EPs qualification to the MU program - Medicare or Medi-Cal is effective;
2. Determine whether EPs MU measures resubmission data (2010, 2011, 2012) used for incentive payments made to the Medical Center are proper, accurate, and supported by adequate documentation and audit trail;
3. For the 2013 and 2014 EPs MU measures, determine whether the data capturing process for Core, Menu, and Clinical Quality Measures (CQM) is in place, conform to MU measurement criteria;

4. Assess whether the control measures in place can provide reasonable assurance as to the completeness, accuracy, and timeliness of the MU registration and attestation processes of EPs;
5. Determine/validate whether utilization and measures for the 2014 EH submission data used to demonstrate MU was accurate; and
6. Determine whether governance/oversight and monitoring of MU incentive program processes are in place.

IV. CONCLUSION

In general, internal controls and processes reviewed appear to be functioning as intended. However, internal control and compliance concerns were noted in the areas of Documentation of MU Processes and Procedures as well as Validation of Measures submission. Observation details and recommendations were discussed with management, who formulated action plans to address the issues. These details are presented below.

V. OBSERVATIONS AND MANAGEMENT ACTION PLANS

1. Documentation of MU Processes and Procedures

Background

Provider Relations (University Physicians and Surgeons) and Clinical Informatics (Health Affairs Information Systems) are the two groups that mainly manage the UC Irvine Health MU program. Examples of their responsibilities include, determining eligibility and enrollment of EPs, extracting of MU measures and validating the data and reports from the EHR technology, and registering of and submitting attesting information (by proxy) for EPs.

Observation

The MU processes and procedures have yet to be fully documented and the process is mostly ad hoc. Management and staff in Provider Relations and IS Project Management understand the significance of having documented processes and procedures, but this task has not been prioritized due to other MU deadlines. Additional challenges indicated include, difficulties in implementation of the MU program because CMS or DHCS did not issue guidelines with specific examples of how to implement the program or stipulate documentation that professional and hospitals should maintain to support their compliance. Furthermore, some program requirements have evolved since the commencement of the MU program.

Without approved written processes and procedures for the entire MU program, there is increased risk of uncontrolled and unreliable processes used causing problems and errors. In addition, the development of written processes and procedures is a best practice that will increase consistency and continuity in the MU incentive program while reducing the risk of non-compliance with CMS requirements.

Management Action Plan

University Physicians and Surgeons, Health Affairs IT and the Medical Center Finance Office representatives will collaborate together to create a Meaningful Use manual which will be reviewed and approved by the MU Task Force by September 30, 2015. We will develop MU processes, procedures and workflow manual that documents all of the steps involved in the MU project including but not limited to:

- Determining eligibility and enrollment of eligible EPs
 - Steps to extract data from the billing system to determine each provider's initial MU program eligibility.
 - Steps required for determining a provider's employment status.
 - Steps required to complete the full list of providers that meet MU eligibility requirements
- Extracting of MU measures and validating the data and reports from the EHR technology

- Steps for extracting and reconciling data from the billing systems including queries and reports used.
 - Steps for extracting and reconciling data from the EHR system including queries and reports used.
 - Steps for preparing MU report data is used to create the final reports used in the attestation process.
- Process of completing the attestation through the CMS or SLR websites
 - Submit the manual for review by the Meaningful Use Work Group team.

2. Validation of Measures Submitted

Background

CMS approved the hospital for MU for the EHR Incentive Program. On a sample basis, IAS validated the accuracy of measures of clinical outcomes captured and reported for the 2014 hospital submission data. Also on a sample basis traced and agreed the information related to the measures to the EHR system.

Observation

The hospital measures captured and reported to CMS was not validated to ensure accuracy. Although the data was not accurate, the difference was insignificant and did not impact the demonstration of MU compliance as the MU measures reported met the required threshold.

Due to technical issues at the time, three separate reports were ran in October 2014 to generate the data reported to CMS (i.e. from 7/1/2014 – 8/1/2014, 8/2/2014 – 9/1/2014, and 9/2/2014 – 9/30/2014). However, the reports were not cumulatively reviewed for duplicate MRNs. For instance, some MRNs that appeared unique on a single report were counted multiple times if they were also in at least one of the other two reports. The data was ran again in March 2015 using a single report (i.e., 7/1/2014 – 9/30/2014) revealing the duplicate MRN counts as reflected in the original reports. The original three reports were compared to the more recent

March 2015 report to ensure that the measures were consistent and did not have an impact on MU requirements. Although comparing the reports revealed some changes in the MRN counts from the data previously reported to CMS, the changes did not impact MU compliance and still met the required threshold and demonstrated MU compliance.

MU Measures reported to CMS should be accurate. The data extraction process needs strengthening to ensure that the Measures is reviewed, reconciled and validated for accuracy prior to submission to CMS.

Management Action Plan

University Physicians and Surgeons, Health Affairs IT and the Medical Center Finance Office representatives will collaborate together to create a validation process which will be reviewed and approved by the MU Task Force by September 30, 2015. The data capture process will include steps so reports are run multiple times on different periods to ensure accuracy before the data is reported. Any variances between the reports will be investigated and reconciled to avoid reporting inaccurate data. The Measures demonstrating MU will be reviewed by management and validated. Related supporting detail documentation will be maintained. This process will also be reflected in written procedures to ensure consistency.