UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
AUDIT SERVICES

UCSF Medical Center
Hospital Charge Capture - Emergency Services
Project #13-024

June 2013

Performed by:

Sugako Amasaki, Principal Auditor
Julia Travous, Manager (Protiviti)
Cody McShan, Manager (Protiviti)
Lawrence Foster, Senior Consultant (Protiviti)

Reviewed by:

Zuleikha Shakoor, Senior Associate Director

Approved by:

Rick Catalano, Director

TABLE OF CONTENTS

I. BACKGROUND

As a planned audit for fiscal year 2013, Audit Services completed a review of the charge capture process in the UCSF Medical Center's Emergency Services Department (Emergency Department) at the Parnassus Campus. The review covered the systems and procedures for patient registration, charge capture, and coding of hospital (facility) and physician services. Charge capture is the documentation, posting, and reconciliation of charges for services rendered. Ineffective charge capture processes may lead to missed revenue opportunities or result in delayed payments, which in turn increases costs due to rework and reconciliation by the hospital and physician billing offices. Sending incorrect bills or needing to re-bill patients produce dissatisfied customers and extended accounts receivable cycles. A further risk is that incorrect charge data may create inadequate or inaccurate resource consumption data used in negotiating third-party payer contracts and for business planning. From a regulatory standpoint, an organization may face Medicare inquiries, payer denials, or expensive penalties because of inaccurate billing.

The UCSF Emergency Department (ED) provides emergent care services for approximately 36,500 patients per year and is staffed by 22 physicians. The hospital's gross revenue for services was approximately $82.6 million for fiscal year 2012. In June 2012, the ED went live with a new electronic health record (EHR) system, Advancing Patient Centered Excellence (APeX), ED physicians and nurses currently document all clinical records information in APeX and external Coders (TCN) determine the facility and physician/professional charges based on the procedures and medications documented in the ED Encounter Summary portion of the medical records. Patient Financial Services processes the claims in Cirius to validate accuracy, completeness and compliance with third-party payer requirements before submitting for reimbursement. The Reimbursement Services team maintains the Charge Master and may review charges to ensure accuracy.

II. AUDIT PURPOSE AND SCOPE

The objectives of this review were to: 1) analyze the current registration, charge capture, and coding processes, focusing on assessing the adequacy of key controls; 2) evaluate the overall efficiency and effectiveness of the processes; 3) determine compliance with University policies and procedures and external laws and regulations; and 4) validate the accuracy and completeness of the registration and charge capture process.

The scope of the review covered ED registration, charge capture, and coding and billing for the Parnassus Campus. To conduct the review, Audit Services performed the following procedures:

- Reviewed the hospital's policies and procedures related to the ED registration, charge capture, and coding processes;
- Interviewed key Department of Emergency Services personnel and other applicable departments within the Medical Center responsible for charge capture to understand the manual and automated system processes and controls;
- Assessed and flow charted the current charge capture and registration processes;

- Walked through each aspect of the charge capture and registration processes to understand when and how charges are captured;
- Identified risks that may occur during the process, identified and evaluated the effectiveness of existing controls that mitigate these risks (control gaps);
- Tested key charge capture controls, based on a judgmentally selected sample of patient claims, to validate the accuracy and completeness of the charge capture process;
- Reviewed ED charge capture and registration work queues to analyze timeliness of work queue clearance;
- Tested registration controls and compliance based on a sample of patients to validate that appropriate forms (treatment consent form and Notices of Privacy) are completed and registration information for billing of services is obtained.

Since work performed was limited to the specific procedures identified above, this report is not intended to, nor can it be relied upon to provide an assessment of the effectiveness of controls beyond those areas and systems specifically reviewed. Further, this assessment represents the status of registration and charge capture processes effective as of the date of fieldwork; policy and procedure changes subsequent to the completion of this review may result in a different status than what is communicated in this report. Fieldwork was conducted February through April 2013.

III. CONCLUSION

Based on the work performed, overall internal controls for the ED charge capture and registration functions appear to be in place and functioning appropriately. The timeliness of physician documentation has greatly improved since the implementation of APeX due to increased monitoring and follow-up by the ED Billing team and implementation of programs to address physicians who do not consistently adhere to billing guidelines. Charges that are pending (i.e. in work queues) are assigned to the ED Billing Manager and Billing Analyst. These work queues were found to be cleared in a timely manner. Additionally, monitoring procedures are in place to identify late charges and missing facility and professional fee charges. Although the controls around ED charge capture processes are in place, opportunities for improvement exist that would further ensure a consistent and effective ED charge capture program. Enhanced controls should be implemented in the following areas:

- Monitoring of coding accuracy and completeness of documentation in the medical record;
- Communication between departments and external coders;
- Development and implementation of policies and procedures for charge capture and registration processes;
- Process for ensuring accuracy and completeness of registration information;
- Ensuring patient registration information is gathered prior to discharge of patients from ED.

Detailed information on these observations and associated management corrective action plans are outlined in the attached table.

IV. OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS

Observation	Risk	Management Corrective Action	Owner
1. All ED services performed may not be fully billed due to missing or inconsistent medical record documentation. The ED utilizes the services of external coders to facilitate the billing of hospital and physician services. The extent and level of hospital and physician billing is contingent on the documentation prepared by physicians and others to support services provided to patients. Two practices were identified: • When coders are reviewing medical record information to identify billable services, they are not always advising physicians or support staff when missing or unclear documentation is identified. Lack of feedback from coders does not allow the ED to improve documentation practices and educate providers on appropriate documentation techniques. • To test completeness of billing, 10 medications, which are typically administered intravenously either injected or infused, were selected and billings for the quarter ended December 31, 2012, were examined. The analysis identified some cases where services for infusion or injection of medication were not coded and billed. It appears that medication infusion was not billed because infusion stop times were not consistently documented in the medical record. Audit Services has forwarded the analysis to the ED Billing Manager for further review and analysis.	Revenue may be lost due to incomplete or unclear medical record documentation.	a) Effective May 15,2013, the workflow for the coders was changed and new work queues and processes created whereby requests for documentation are sent to the attending physicians' in-basket and/or to the Billing Analyst b) By November 30, 2013, ED Billing Managers will review and update the agreement with the external coding vendor, TCN, to include communication of unclear or incomplete documentation which could lead to missed revenue opportunities. c) By December 31, 2013, as part of the charge reconciliation process the ED Billing Manager will monitor injection/infusion charges to ensure that these are onsistently charged d) The APeX IT Clinical documentation/ASAP team will work with ED to reinstate the system functionality requiring infusion stop times to be documented on the MAR for continuous infusions. Reinstatement of stop times will be completed by July 12, 2013. e) By August 30, 2013, Apex job Aid /Tip Sheet on the newly implemented MAR functionality for continuous infusions will be developed. Also super users and guides will do floor support and side-by-side training as needed by the ED staff.	1. Eric McNey 2. Kevin Crawford Andrew Maruoka Mark Delfin Lori Issler

Observation	Risk	Management Corrective Action	Owner
• Further inquiries identified that a change in policy for Inpatient departments resulted in the removal of a requirement in Apex to enter a stop time for infusions for clinical departments. Because the MAR used for the ED follows the same build logic, the stop time requirement was also removed for the ED. While the ED internal policy still required nurses to document the stop time, the removal of the system control requiring the documentation resulted in missing stop times for infusions and missed revenue. Furthermore, although the ASAP Build team noted the stop time had been removed from Apex, it was not escalated through the IT Service ticket process to resolve the issue.		f) By August 30, 2013, procedures will be developed whereby senior nurses and the ED Medication Safety Council Chair will audit some charts and give direct	Jennifer Dearman
2. System for assuring the quality of coding services provided by the contracted vendor is not sufficient. The firm providing coding services for ED does not have a structured quality assurance process as no regular peer review or independent audits are performed to assess the accuracy and completeness of coding. Charge capture testing of 60 claims (30 facility bills and 30 professional bills) identified incomplete documentation for infusion and injections in 5% of cases reviewed and coding errors in 13% of cases reviewed. Additionally, testing of 30 claims identified errors in application of modifier codes which could affect reimbursement in 10% of cases reviewed. Additional modifiers, (while they do not affect reimbursement) were not coded (e.g. RT, LT, F3, etc.). Discussions with the coding vendor, TCN found that neither the ED nor the Medical Center has outlined which add-on modifiers are required.	Monitoring procedures may not be sufficient to identify errors in charge capture processes.	a) By November 30, 2013, ED Billing Managers will develop tools/reports to enable the coding vendor to perform quality assurance audits to validate the accuracy of CPT coding and levels based on medical record documentation for a sample of ED patients. The results of the audit will be formally documented and communicated to Coders and the ED Billing Managers. b) By November 30, 2013, ED Billing Managers, will update the agreement with TCN to include specific requirements for quality analysis of coding performed. The agreement with TCN should also be updated to indicate which add-on modifiers are required.	1. Eric McNey (Primary) 2. Kevin Crawford

Observation	Risk	Management Corrective Action	Owner
3. **Revenue opportunities may be missed as supplies are not charged separately and are not built into the ED Facility charge**. A $200 supply charge was added to the room and board charges for all nursing units based on an analysis performed approximately two years ago. The analysis performed cannot be found for review and the CDM team has not evaluated supply charging in the ED in the past two years. Because only admitted patients would receive the room and board charge which includes the supply charge, ED patients that are discharged are not charged for any supplies used. According to the ED Billing Manager, 25% of patients treated in the ED are admitted to the Medical Center.	Supply charges billed may not accurately reflect the cost of care for patients seen in the Emergency Department.	By May 30, 2014 the Reimbursement Services team will evaluate supply charging in the ED to determine the impact of lost revenue by not charging for supplies used by Emergency Services and if it would be cost effective to charge for high cost supplies.	Charlotte Canari
4. Written policies and procedures do not exist to clearly define charge capture processes. Documentation standards and monitoring procedures for medical record documentation accuracy and reconciliations performed are not formally defined and/or may be inadequate to ensure charges (i.e. services, medications, and/or supplies) are posted in a complete, timely, and in an accurate manner.	Policies and procedures related to ED charge capture processes that are not formally documented may not accurately reflect current procedures.	a) By March 31, 2014, ED Billing Managers will develop formal policies and procedures to define charge capture processes once all processes have been fully implemented and appear to be working effectively. The policies and procedures should include daily activities performed as well as monitoring procedures performed to ensure charges are posted completely, timely, and accurately. b) By May 30, 2014, once formal policies and procedures are complete, the ED Billing Manager will provide in service training on the new policies to all ED charge capture personnel.	1. Eric McNey 2. Kevin Crawford

Observation	Risk	Management Corrective Action	Owner
5. A policy which outlines when the Billing Analyst should add modifiers to the coding or when to escalate to the external coding staff does not exist. When billing for hospital and physician services, two digit modifier codes can be added to billing codes to provide additional information to payers and can impact reimbursement for services. Currently, the system bill edits in Cirius identifies when modifiers should be added and the Billing Analyst adds them without thorough patient chart review and coordination with coders. This can cause denials if the modifier is inappropriate for the procedures performed. Testing of claims with modifier identified errors in modifier application which could affect reimbursement in 10% of cases reviewed. Further review is required to determine if the inappropriate modifiers were added by Coders or the Billing Analyst.	Modifiers may be added inappropriately.	By March 31, 2014, the newly developed departmental procedures will incorporate requirements when Billing Analyst can add modifiers and when additional modifiers detected should be escalated to Coders.	Eric McNey
6. Patients are discharged without registration being completed To increase throughput and reduce wait times, some patients are discharged by nurses or physicians prior to completion of the registration process. As a result, encounters stay in 'unbilled' work queue (WQ180) until it is resolved causing delays in billing for services and/or services cannot be billed due to lack of full patient registration information.	Sufficient registration information may not be available for billing of services, resulting in revenue loss.	By December 31, 2013, the ED Manager will assess the existing process and impact for discharging patients prior to full completion of registration, including collecting the required information, and tracking the volume of incomplete registration. Based on the assessment, strategies and metrics will be developed to improve the gathering of complete registration information.	Jennifer Dearman and Eric Mcney

Observation	Risk	Management Corrective Action	Owner
7. Documented policies and procedures for registration process have not been developed. Requirements and procedures for registration process are not clearly defined. As a result, the registration process is not performed in a consistent or complete manner for gathering information, scanning documents, verifying insurance cards, confirming existing patient data, and validating eligibility of coverage.	Registration and information gathering process may not be performed in an accurate or consistent manner.	By March 30, 2014, the ED Manager will develop procedures which clearly define requirements for registration staff for completing the registration process. The new procedures will include: • Requirements for registration information to be gathered and recorded in APeX • Types of documents which need to be scanned and uploaded onto APeX. • Verifying insurance cards (subscriber ID, expiration date) • Validating eligibility of coverage • Registering different types of patients • A process to ensure correct patient was selected and to confirm existing information is still current; and • Procedures for resolving issues when the wrong patient record is inadvertently selected and modified.	Eric Mcney
8. ***The necessary documents are not always given to patients and/or scanned/uploaded in APeX***. Review of a sample of patients for registration completeness and compliance with regulatory requirements identified that: - Patient medical consent forms and documents to validate patients' identity are not always scanned in APeX - HIPAA Privacy Notices are not always given to patients and scanned in APeX.	Failure to provide HIPAA Privacy Notices may not meet compliance requirements.	By March 30, 2014, ED Billing Manager will implement processes to monitor staff compliance with department procedures and in particular compliance with HIPAA regulations on issuance of Privacy Notices.	Eric Mcney