



INTERNAL
AUDIT SERVICES

Veterans Affairs Billing

Internal Audit Report No. I2023-208

May 29, 2024

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May 29, 2024

**MICHAEL J. STAMOS
DEAN
SCHOOL OF MEDICINE**

**RE: Veterans Affairs Billing
Report No. I2023-208**

Internal Audit Services has completed the Veterans Affairs (VA) Billing review 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.

Sincerely,



Mike Bathke
Director

Attachment

C: Audit Committee

Kyle Ahn, Associate Dean - Graduate Medical Education for School of Medicine
Afshan Baraghoush, Internal Medicine Residency Director – School of Medicine,
Department of Medicine Division of Hospital Medicine & Palliative Medicine
Denise Healey, Chief Administrative Officer - School of Medicine, Department of
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Chad T. Lefteris, Chief Executive Officer - UCI Health System

Courtney Strayer, Director - Graduate Medical Education for School of Medicine

I. MANAGEMENT SUMMARY

In accordance with the fiscal year (FY) 2022-2023 audit plan, Internal Audit Services (IAS) performed a review of Veterans Affairs (VA) billing to assess regulatory risk and internal controls. Based on the audit work performed, some internal controls need improvement and should be strengthened to minimize risks and ensure compliance with regulatory requirements. Specifically, the following improvement opportunities were noted.

Graduate Medical Education (GME) Policies and Procedures – While there are various documents available to UCI staff for reference regarding VA billing process guidelines, there is not one single comprehensive document specifically detailing GME VA policies and procedures. This issue is discussed in Section V.1.

Make-up Training Verification – Although mandatory training session attendance is now being monitored and tracked to ensure those who miss sessions make them up, the current process for conducting make-up sessions lacks a method for management to verify and validate that the sessions were completed satisfactorily. This observation is discussed in Section V.2.A.

VA Training Video Access – After conducting and recording VA training video presentations, the recordings, which could be valuable for reference purposes, are not being shared with UCI staff due to specific restrictions imposed by the VA. This issue is discussed in Section V.2.B.

II. BACKGROUND

Within UCI's School of Medicine (SOM), there are 65 Graduate Medical Education (UCI GME) residency training programs in 19 clinical departments, where the residents have schedules that include time at UCI Health, the Tibor Rubin VA Medical Center in Long Beach (the VA), and the Long Beach Memorial Medical Center. UCI's Office of GME (UCI GME Office) is responsible for billing residency program reimbursement claims to the VA GME for reimbursement. This is a focused review on the VA billing processes involving UCI GME and the VA GME and the details of this audit are documented below.

III. PURPOSE, SCOPE, AND OBJECTIVES

The purpose of this audit was a focused review of VA residency billing and related processes and controls regarding UCI GME. The scope included a limited review and sample testing of available UCI GME activity records, billing processes and financial activities from FY 2022-23 through present.

The review included the following objectives:

1. Verify that adequate trainings are provided to ensure compliance with current billing rules and department policies and procedures;
2. Verify that the SOM Department of Medicine (DOM) Finance team are ensuring that the VA timesheets are managed properly and that they are performing random audits of the VA time logs to ensure proper reconciliation has been followed;
3. Verify the adequacy of the current scheduling application in use;
4. Determine the adequacy of staffing, specifically, in the SOM Internal Medicine (IM) residency program;
5. Verify that job descriptions, particularly for IM residency positions, are updated and complete;
6. Verify that there are regular communications between UCI staff/management with VA staff/management;
7. Verify that the VA Site Director has a process in place to account for resident attendance and is able to verify the accuracy of attendance sheets, known as Educational Activity Records (EAR);
8. Verify that the current Veterans Health Administration (VHA) Handbook, Disbursement Agreement Procedures, VA Billing Rules Table, and other relevant documents are available to the UCI Program Directors and Program Coordinators; and
9. Verify the existence of a comprehensive UCI GME policies and procedures.

IV. CONCLUSION

Many internal controls pertaining to VA billing appear to be functioning satisfactorily, as noted below:

- Training sessions to discuss VA billing updates are now being conducted by both the VA and UCI in a more formal and consistent manner. For example, the following training sessions are held periodically:
 - Every March there is a GME Program Coordinator workshop.

- Every July, just before the start of the new academic year, the VA hosts training sessions for VA Site Directors, UCI Program Directors, and Program Coordinators.
- Every September, UCI provides a billing overview leadership workshop for all Program Directors and Program Coordinators.
- On a quarterly basis, if necessary, the VA provides updates on billing processes to UCI.

IAS notes that following the training sessions, all training materials (except for the VA-prepared training videos mentioned in *Section V.2.B.* below) are distributed to all residency programs that rotate to the VA. Additionally, the training materials are posted on the GME SharePoint site for reference purposes.

- Communications and discussions between the VA and UCI regarding VA billing updates and concerns are conducted regularly through emails, meetings, and/or training workshops.
- If a residency program has a specific question regarding a billing rule, both the UCI GME Office and the VA GME encourage the programs to directly contact the VA for guidance on all policy-specific questions. IAS notes that the UCI GME Office does not provide guidance on VA billing policies.
- Controls over monitoring and verifying resident rotation activities at the VA and corresponding billing to the VA have improved with the implementation of the following controls:
 - Rotations, documented on EARs, are properly validated and approved by the VA Site Directors who have direct knowledge of the residents' activities at the VA.
 - The VA GME Office audits EARs to ensure they agree with rotation schedules, email communications, and electronic patient medical record system notes.
 - UCI Program Coordinators cross-check and reconcile EARs to rotation schedules and MedHub, an application for managing residency rotations, to ensure that the level, rate, activity, and dates of rotations approved by the VA are consistent with UCI's records.
 - VA Site Directors provide certification signatures on the final EARs, which are then forwarded to the Designated Education Officer (DEO)/Associate Chief of Staff of Education for certification signature.
- UCI and the VA collaborate to address any rotation discrepancies identified before submitting the approved EARs to the UCI GME Office for invoicing to the VA. All discrepancies and resolutions are documented for reference.

According to management, discrepancies are now occurring much less frequently due to the robust reconciliation and audit process in place, which involves multiple departments, management, and staff from both UCI and the VA to ensure the accuracy of EARs.

- The DOM Finance office conducts compliance sampling audits to verify that documents are properly maintained and that data retention requirements are being met.

Several improvements were implemented in various VA billing areas during the course of this audit, starting in April 2023:

- Beginning in the academic year (AY) 2023-24, effective July 1, 2023, the VA required monthly spot check audits of 10% of all resident rotations from each department. These audits verify residents' presence at specified locations and times listed on the schedule. Previously, spot check audits of 10% of resident rotations were only mandatory for larger departments, such as IM, where Site Directors could not physically observe residents' rotation. Smaller programs, where Site Directors verified locations through physical observation, did not require spot check audits.
- The MedHub residency management system replaced the New Innovations system in July 2023. MedHub aims to streamline UCI GME administration, including residency rotation scheduling and VA billing. The VA GME Office has been granted access to this system to view rotation schedule data.
- Attendance of VA billing training sessions by VA and UCI staff is now monitored and tracked. Missed mandatory training sessions must be made up.
- A new repository folder was created under a UCI GME SharePoint site for staff to access VA billing information, including training documents and approved EAR forms.
- Starting July 2023, the UCI Program Coordinator and VA Disbursement Coordinator began collaborating to reconcile EARs before submission to the Site Directors and DEO/Associate Chief of Staff of Education for approval signatures.
- To prevent inadvertent changes to EAR calculations and daily rates, EARs are locked when Site Directors receive and review them. Since Site Directors are responsible only for confirming residents' attendance at scheduled rotations, they are not responsible for EAR calculations or changes in daily rates.

However, concerns were identified in several areas, including GME policies and procedures, verification of make-up training, and access to VA training videos. Further details are provided in *Section V. Observations and Management Action Plans* below.

V. OBSERVATIONS AND MANAGEMENT ACTION PLANS

1. GME Policies and Procedures**Background**

The complexity and frequent updates of VA billing rules for resident rotations and activities at the VA pose significant challenges. In addition, the pre-billing processes, which involve approving EARs, require coordination among various parties from both the VA and UCI to ensure accurate billing.

Observation

Despite the availability of numerous documents providing VA billing process guidelines, such as the UCI GME billing instruction manual (referred to as GME FTE Allocation and Rotation Schedule Entry Instruction Manual), VA handbook, VHA Office of Academic Affiliations (OAA) Standard Operating Procedures (SOP), periodic email updates, and VA billing training slide deck presentations, there lacks a single-source comprehensive GME policies and procedures document. This document should include various details to address the complexities, moving parts, nuances, and constant updates and changes involved with VA billing rules and processes.

Recommendation

To address this issue effectively, management should develop a single-source comprehensive GME VA policies and procedures document. This document should incorporate the following components:

1. Personnel roles and responsibilities: Clearly define the roles and responsibilities of staff involved in the VA billing processes.
2. Step-by-step guidelines for key scheduling, reconciliation, and billing processes: Provide detailed instructions for each process step, including reference links to specific policies, procedures, and regulations for further guidance.
3. Billing rule updates/pronouncements: Include updates on billing rules and pronouncements, with reference links for further guidance if needed. Document revision dates to track the latest updates and consider memorializing legacy billing rules for reference.
4. Policy effective dates and document/policy owners: Clearly state the effective dates of policies and procedures, along with revision dates for updated material. Identify document and policy owners for accountability.

Organize the document by process task (e.g., scheduling, reconciliation, billing) and personnel positions to ensure clarity and ease of reference. Incorporate flowcharts, screenshots, and examples of key processes to enhance understanding.

Consider creating a separate folder for legacy billing rules to avoid confusion with current rules. This will ensure that staff can easily access and reference historical information when needed, without interfering with current processes.

Management Action Plan

Management will take its existing VA billing instructions and create a new comprehensive single-source document in collaboration with the Long Beach VA GME Office. Any material prepared must be approved by the VA GME Office prior to distribution as they are the authority on their policy and billing process and requirements. The guide will incorporate the VA's latest EAR instructional slides, which include step by step instructions broken down by personnel roles and responsibilities, and/or broken down by each process task (e.g., scheduling, reconciliation, billing, etc.) specific to VA billing. Pertinent information (including reference links) from all billing update pronouncements, instruction manuals, policies and procedures, SOPs, slide decks and other documents currently available, will be included with approval from the VA. Flowcharts, screenshots, and examples of key scheduling, reconciliation, and billing processes will be added as necessary if further visual aids or examples are needed to describe a specific process or step. Policy and billing rule effective dates will be documented, including policy owner(s). We will determine whether legacy billing rules should be memorialized by date in a separate folder section of the current policies and procedures in case these past billing rules need to be referenced for past billing inquiries and issues.

Due date: September 30, 2024

2. Training

A. Make-Up Training Verification

Background

Before July 2023, the UCI GME Office did not cross-check attendance sheets of required VA billing training courses with residency program employee rosters to determine who attended and who missed the sessions. This control weakness stemmed from insufficient staffing support and a lack of processes to track this information.

However, as of July 2023, processes have been implemented and staffing assignments have been adjusted to track attendance of training courses

conducted by UCI and the VA. IAS notes that the VA also has a process in place to ensure their VA staff attend required training sessions.

At UCI, when staff miss a required training session, the UCI GME Office sends them email reminders to make up the missed sessions, attaching the applicable training materials. Staff are required to inform GME when they have completed the make-up session.

Observation

While UCI now has a system in place to crosscheck residency program employee rosters with training session attendance sheets, the validation process to ensure that non-attendees make up the required trainings could be enhanced.

Currently, the UCI GME Office sends non-attendees the make-up materials for missed training sessions and asks for confirmation once the missed training has been reviewed and completed. However, this process relies solely on email confirmation from the employee, rather than a formal verification process to ensure that the training was thoroughly reviewed and completed in its entirety.

Recommendation

Given the complexity and constant updates of VA billing processes, it is crucial that staff thoroughly review missed training sessions. Therefore, a formal process should be implemented to ensure and validate that missed training sessions are properly made up and reviewed in completion, rather than relying on an informal email confirmation process.

Management Action Plan

Management will send Program Directors and Program Coordinators who miss a training session the video presentation and support materials. The Program Director/Program Coordinator will need to sign an attestation form confirming that they have reviewed the materials in their entirety.

All UCI Program Directors and Program Coordinators will continue to be informed of the training dates months in advance and will be sent calendar invites. They will be informed that participation in this training is mandatory. If programs are unable to participate in these required trainings, or fail to review the materials and sign the required attestation form, they will be prohibited from sending trainees to rotate at the VA.

Training materials will continue to be circulated following the training sessions to all Program Directors and Program Coordinators who have

rotations at the VA. This documentation will continue to be posted on our GME SharePoint site.

Due date: September 30, 2024

B. VA Training Video Access

Background

Every July, in preparation for the new academic year, the VA hosts mandatory training video presentations on VA billing rules and updates for VA Site Directors, UCI Program Directors, and Program Coordinators. UCI should have access to these training videos for future reference.

Observation

Currently, VA training video presentations cannot be shared or redistributed to UCI due to system restrictions imposed by the VA, preventing sharing outside their network. After the initial presentation, these videos are only accessible to VA staff, leaving UCI staff without access. This lack of access hinders staff, who were unable to attend the original training sessions, from completing the required training.

Recommendation

Since the VA hosts these training sessions via Zoom, which records the presentation, one solution is for the VA to share the recorded video presentation with UCI. Alternatively, if sharing is not possible, UCI administrators could be granted access to record the sessions themselves. Collaboration between the VA and UCI, along with their respective IT departments or Zoom Customer Support, is necessary to explore other methods for sharing these important training videos with UCI staff.

Management Action Plan

Previously, management was unable to obtain copies of the video presentations to redistribute to UCI staff due to limitations on the VA side. We have offered a variety of solutions including the use of flash drives, Dropbox account, posting it centrally so that it could be viewed by those who were not able to participate due to clinical responsibilities. However, the VA has been unable to accommodate any of these requests. We have circulated the slides and policy materials, which are also posted on our GME SharePoint site.

Management and the VA GME Office have reached an agreement to help remedy this issue. UCI plans to host one of the VA's July training sessions on Zoom on their behalf. The VA GME Office will present the information, and UCI will record the training session. Management will then save and circulate the

training recording to UCI Program Directors and Program Coordinators for future reference.

In addition, during our UCI-sponsored workshops that the VA GME Office presents, we will continue to ask the VA to re-review important information with our attendees that may have already been discussed in the annual VA training video presentations. We also record these sessions and share the information with our Program Directors and Program Coordinators by posting the sessions to our GME SharePoint site for future reference purposes for our staff.

Additionally, Internal Medicine will be asked to work closely with the VA to ensure the accuracy of their rotation schedule data. Internal Medicine has a complex rotation schedule and the largest number of FTEs that rotate to the VA. To ensure they are fully aware of the VA's billing rules and regulations, and that they are provided with the opportunity to ask questions in real time regarding any policy questions and/or schedule/procedural concerns, it is recommended that they take the following actions and submit confirmation of compliance to the UCI GME Office on a quarterly basis in June, September, December, and April.

- The Internal Medicine Program Director, Internal Medicine Program Coordinator, and Department of Medicine Finance Analyst must meet with the VA Site Director monthly to review rotation schedules and confirm billing accuracy. Meeting minutes must be taken. Internal Medicine leadership is responsible for coordinating these meetings. The Internal Medicine Department CAO must confirm that the documentation has been audited appropriately at the department level monthly with documented approval/oversight.
- Before the start of the academic year and again mid-year, Internal Medicine Program leadership must meet with the VA Site Director and the VA GME Office to review, at minimum, the following documentation: rotation schedules, research schedules, quality improvement projects, exam schedules, call schedules, leaves of absence, and sick and vacation time utilization to ensure that the program is billing in accordance with VA policy and procedures. Meeting minutes must be taken. Internal Medicine leadership is responsible for coordinating these meetings.
- Meeting minutes and monthly rotation schedule/billing audit confirmation must be submitted to the GME Office on a quarterly basis as listed above.

Due date: September 30, 2024