UT Southwestern
Medical Center

Anesthesiology Charge Capture and Reconciliation Audit

Internal Audit Report 23-76CF

January 18, 2024

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The Department of Anesthesiology and Pain Management has a decentralized revenue cycle team that supports all revenue cycle functions for the department, including charge capture and reconciliation processes. Prior to providing services, the clinical staff (e.g., anesthesiologists, certified registered nurse anesthetists (CRNAs), residents, etc.) will create an encounter within the patient's chart in Epic (the Electronic Health Record [EHR]). This allows the clinical staff to enter the appropriate start / stop times throughout the procedure. Additional information included within the anesthesia event in the patient's medical record includes, but is not limited to, the type of anesthesia used (e.g., general, Monitored Anesthesia Care (MAC), local, etc.), resident involvement, anesthesiologist supervision, and patient health status. The anesthesiologist must attest that the documentation reflects the services rendered prior to services being billed. The internal target turn-around timeframe for anesthesiologists to sign the documentation is 48 hours. If this is not complete within 48 hours, there are automated and manual escalation processes in place to ensure the documentation is signed.

When an encounter is opened by clinical staff, Epic creates a placeholder charge. The Billing Specialists export all cases on a specific date of service (DOS) in which the anesthesia start time was documented. The DOS spreadsheet is uploaded to the Anesthesia Department's SharePoint site. The coding team reviews the medical record for encounters to assign the current procedural terminology (CPT) code, supplemental (e.g., emergent, etc.) code(s), and modifier(s). The Billing Specialists utilize the DOS spreadsheet to amend the placeholder charge in Epic with the appropriate coding information. Additionally, there is Epic logic in place to add applicable payment modifiers (e.g., concurrency, physical health status, etc.) to the charge.

Epic automatically conducts a concurrency check to identify the number of cases Anesthesiologists are directing or participating in to apply appropriate modifiers to the charge. If an Anesthesiologist oversees five or more concurrent cases, these charges qualify for a work queue for the Billing Specialist to validate with the provider that the charges should be billed as medical supervision (five or more concurrent cases) instead of medical direction (four or less concurrent cases). Once an entire DOS is coded and entered into Epic, the Quality Assurance (QA) Team conducts a concurrency check to ensure that clinical staff that are medically directed (e.g., CRNAs, residents, etc.) were not participating in more than one case at a time. Once the QA is complete, charges are posted to the patients' accounts. This process is highlighted in a process flow found in Appendix B.

The Office of Institutional Compliance and Audit Services has completed its Anesthesiology Charge Capture and Reconciliation Audit. This was a risk-based audit.

The audit scope period included activities of the Anesthesiology Department from July 1, 2022, to June 31, 2023. The review included all patient encounters where the Anesthesiology and Pain Management Department charged for professional services. Children's Medical Center of Dallas and Parkland Hospital contracted accounts were not included in the scope of this review. Audit procedures included interviews with stakeholders, review of policies and procedures and other documentation, and substantive testing.

We conducted our examination according to guidelines set forth by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

Fieldwork was initiated, performed, and completed between September and November 2023 and consisted of the following primary objectives:

- Charge Capture and Reconciliation Processes: Assessed Anesthesiologists' documentation and charge capture policies, procedures, and processes (e.g., time documentation, units, modifiers, concurrencies, etc.) that govern and support timely, complete, and accurate charge capture and compared against applicable policies and published industry leading practices.

- Charge Capture and Reconciliation Monitoring and Reporting: Analyzed the current monitoring tools related to charge integrity, charge reconciliation, concurrency / oversight, and charge lag to evaluate that charges are entered timely, completely, and accurately for Anesthesiology.

- Charge Capture Analysis and Testing: Performed limited testing to validate the completeness, accuracy, and timeliness of key charge capture practices and assessed adherence to established charge entry and charge reconciliation processes, as well as supporting clinical documentation to identify any variances with charged services for a sample of accounts within Anesthesiology.

Executive Summary – Conclusion and Improvement Opportunities

UT Southwestern Medical Center

Overall, the Anesthesiology and Pain Management Department has developed robust charge capture and reconciliation processes. Specifically, the quality assurance steps built into the workflow show a commitment to posting complete and accurate charges for all anesthesia services rendered. Employees show a proactive nature for addressing and correcting errors as they find them, highlighting a culture that values strong attention to detail. However, opportunities exist for the department to better adhere to the charge capture system policy and ensuring the documentation of all supplemental charges.

Included in the table below is a summary of the observations noted, along with the respective disposition of these observations within the Medical Center internal audit risk definition and classification process. See Appendix A for Risk Rating Classifications and Definitions.

Priority (0)	High (0)	Medium (0)	Low (2)	Total (2)

Key observations are listed below.

- **Charge Capture Timeliness** – Professional Billing charges are not consistently posted timely, as per management expectations, leading to potential cash delays and timely filing denials. Additionally, management expectations are not outlined in the department's standard operating procedure (SOP) as required per hospital policy.

- **Emergent Supplemental Code Capture -** Anesthesia emergent supplemental codes are not consistently captured by the coding team. This can lead to potential missed charges.

Management has plans to address the issues identified in the report and in some cases have already implemented corrective actions. Action Plan Owners are designated individuals responsible for implementing the issue resolution. Action Plan Executives are individuals responsible for overseeing or managing the issue resolution. Executive Sponsors are Senior Leadership members who are responsible for ensuring the identified issue is resolved. These responses, along with additional details for the key improvement opportunities identified above are listed in the Observations and Action Plans Matrix (Matrix) section of this report.

Observation	Recommendation	Management Response

Risk Rating: Low 🟢
 	
1. **Charge Capture Timeliness**
 	
Professional billing (PB) charges are not consistently posted timely based on management's verbalized expectations (i.e., within 15 days from the date of service). This can lead to potential delays in cash posting and timely filing concerns.
 	
Internal Audit reviewed the entire audit period (July 1, 2022, to June 30, 2023) population of PB anesthesia posted charges and identified the average days to post charges was ~10 days. However, following the population analysis, Internal Audit selected a targeted sample of 35 patient accounts to validate all associated anesthesia charges were posted timely and identified the following:
 	
• 28 of 35 (80%) accounts tested were not posted timely (i.e., within 15 days from the date of service) with an average of 21 days to post charges, ranging from 16 to 30 days.
 	
    ○ 14 of 28 (50%) accounts posted untimely between October 2022 to February 2023 were due to holiday vacation and two employees being out on scheduled and unplanned leave.
 	
    ○ 9 of 28 (~32%) accounts posted untimely were due to volume of patient accounts and no additional explanation was provided.
 	
    ○ 3 of 28 (~11) accounts posted untimely were due to the account being part of research and transplant efforts, which delays posting because of cross-department interactions.
 	
    ○ 2 of 28 (~7%) accounts posted untimely were due to concurrency check reviews, which involves provider feedback via email.
	Anesthesiology revenue cycle management should:
	
	1. Outline Anesthesia and Pain Management Department leadership expectations for timely charge capture within a SOP, including accounts with cross-department interactions and concurrency check reviews. They should leverage the existing charge capture policy templates and add in specific processes and requirements that pertain to the Anesthesia and Pain Management Department.
	
	2. Share the SOP with Revenue Integrity for approval and auditing purposes.
	
	3. Analyze charge capture volumes to ensure adequate staffing coverage during holidays and when employees are on leave.
		Management Action Plans:
		
		1. A dedicated staff education session was successfully conducted during the Billing Division Team meeting in December 2023. This session served as a vital platform for disseminating crucial information regarding the action plans listed below. Complete
		
		2. Review the UT Southwestern Hospital policy to understand the required department documentation for charge capture expectations and create a charge capture Anesthesia and Pain Management Department SOP, including timeframes outlined for accounts with cross-department interactions (i.e., Research and Transplant) and accounts with concurrency check reviews.
		
		3. Share the Anesthesia and Pain Management SOP with Revenue Integrity for approval of deviation from the standard charge capture policy.
		
		4. Analyze staffing and patient account volumes to ensure appropriate staffing throughout the year, particularly for holidays and employee leave. The analysis will include review of published reference materials as a comprehensive resource for the analysis of staffing and account volumes.
		
		Action Plan Owner(s):
		
		Cheryl Baldia – Manager – Revenue Cycle – Anesthesia & Pain Management
		
		Action Plan Executive(s):
		
		Irma Sanchez – Department Administrator – Anesthesia & Pain Management
		
		Kelly Kloeckler-Thornton – Associate Vice President, Revenue Cycle

Observations and Action Plans Matrix

Observation	Recommendation	Management Response
Additionally, management's expectations are not outlined within a formal SOP for charge capture employees. Per the UT Southwestern Hospital policy *Revenue Integrity Charge Capture and Reconciliation Hospital Policy (UHLD 11)*, **"**all departments are required to have a SOP for charge capture and reconciliation" and **"**deviation from this standard charge capture policy may be addressed within each hospital-based department's SOP".		<u>Executive Sponsor(s):</u> Charles Whitten – Professor & Chair – Anesthesia & Pain Management <u>Target Completion Dates:</u> January 31, 2024
Risk Rating: Low 🟢 2. **Emergent Supplemental Code Capture** Anesthesia emergent supplemental codes are not consistently captured by the coding team. This can lead to potential missed charges. Emergent supplemental codes are documented within the date of service (DOS) coding spreadsheet by coding after reviewing the medical record, and then posted in Epic by the charge capture employee. If emergent supplemental codes are not appropriately captured or missed by coding, there are system controls within Epic to flag accounts missing emergent supplemental codes that must be validated and posted by the charge capture employee. The charge capture employee will then update the spreadsheet with the missing supplemental code and send feedback to the coding employee for educational purposes. Internal Audit selected a targeted sample of 35 patient accounts to validate all associated anesthesia charges were posted accurately based on the information within the DOS coding spreadsheet and identified the following: One of 35 (~3%) accounts tested had a missing emergent supplemental code on the DOS coding spreadsheet. In this instance, the charge capture	Anesthesiology revenue cycle management should: 1. Include in the quality assurance (QA) process a step to provide feedback to the coding employees when supplemental codes missed during their manual process are identified through Epic controls and validated by the charge capture team.	<u>Management Action Plans:</u> 1. A dedicated staff education session was successfully conducted during the Billing Division Team meeting in December 2023. This session served as a vital platform for disseminating crucial information for the action plan listed below. 2. Continue to send feedback to the coding team to provide education when supplemental codes are not included on the coding spreadsheet but are identified through Epic controls and confirmed as valid by the charge capture team. <u>Action Plan Owner(s):</u> Cheryl Baldia – Manager – Revenue Cycle – Anesthesia & Pain Management <u>Action Plan Executive(s):</u> Irma Sanchez – Department Administrator – Anesthesia & Pain Management Kelly Kloeckler-Thornton – Associate Vice President, Revenue Cycle <u>Executive Sponsor(s):</u> Charles Whitten – Professor & Chair – Anesthesia & Pain Management

Observation	Recommendation	Management Response
employee appropriately added the emergent supplemental code to the account within Epic.		**Target Completion Dates:** Complete

Appendix A – Risk Classifications and Definitions

Each observation has been assigned a risk rating according to the perceived degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management. The following chart is intended to provide information with respect to the applicable definitions, color coded depictions, and terms utilized as part of our risk ranking process:

Degree of Risk and Priority of Action	
Priority	An issue identified by Internal Audit that, if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.
High	A finding identified by Internal Audit that is considered to have a high probability of adverse effects to the UT institution either as a whole or to a significant college / school / unit level. As such, immediate action is required by management in order to address the noted concern and reduce risks to the organization.
Medium	A finding identified by Internal Audit that is considered to have a medium probability of adverse effects to the UT institution either as a whole or to a college / school / unit level. As such, action is needed by management in order to address the noted concern and reduce the risk to a more desirable level.
Low	A finding identified by Internal Audit that is considered to have minimal probability of adverse effects to the UT institution either as a whole or to a college / school / unit level. As such, action should be taken by management to address the noted concern and reduce risks to the organization.

It is important to note that considerable professional judgment is required in determining the overall ratings. Accordingly, others could evaluate the results differently and draw different conclusions. It is also important to note that this report provides management with information about the condition of risks and internal controls at one point in time. Future changes in environmental factors and actions by personnel may significantly and adversely impact these risks and controls in ways that this report did not and cannot anticipate.

Appendix B – Anesthesiology Charge Capture Process Flow

The standard Anesthesia charge capture and reconciliation processes are highlighted in the process flow below.

Clinical	Anesthesia Charge Entry	Anesthesia Coding	Anesthesia Charge Entry	Automated Steps (Information Resources)	Claim Submission and Reimbursement
Clinical staff create an Anesthesia encounter within Epic Anesthetic services are rendered and documented in Epic Anesthesiologist attests to the documentation in Epic	Billing Specialist exports all Anesthesia encounters for a date of service from Epic and uploads to SharePoint	Coders review provider documentation to assign applicable CPT codes and modifiers	Billing Specialist enters CPT codes and modifiers into Epic Billing Specialist performs Quality Assurance (QA) activities, including, charge reconciliation and clinical staff concurrency checks	Payment modifiers are automatically added to the charge via Epic logic	Claims are submitted to payers for reimbursement Denials are addressed and appeals are submitted as appropriate