**Appendix A**

**Model Operations Manual for Faculty Practice Plans**

**Overview:** The Executive Director for each Faculty Practice Plan at each U.T. academic and health institution will have a business operations manual consistent with the Plan bylaws that, at a minimum, delineate procedures for the topics listed below. UT System policies and/or institutional policies and procedures intended to implement UT System policies must serve as the basis for items included within the Plan operations manual, and be specifically referenced where applicable. The Executive Director will submit the manual and annual revisions for review upon request to the Executive Vice Chancellor for Academic or Health Affairs, as applicable.

**Physician Orientation**

* Credentialing and professional liability insurance
* Practice plan membership, meeting schedule, committees
* Definition of professional income
* Reports to be filed: outside professional activities and income; conflict of interest
* Reports to be read: guide to financial and management reports
* Faculty compensation plan, retirement and benefit plan information
* Professional fee schedule
* Medical records documentation
* Authorized professional business expenditures and the reimbursement process
* Expenditure guidelines for recruitment, continuing medical education, development

**Business Office Operations**

* Accounting procedures
  + Segregation of duties
  + Compliance hotline, whistleblower protections
  + Use of NACUBO and UT System accounting standards
  + Contracts and grants management (other than insurance and managed care)
  + IT/Accounting system user access and controls
  + Use of spreadsheets and document retention
  + Cash management (including banking)
  + Internal expenditure control
  + Purchasing and accounts payable
  + Payroll and benefits accounting, if applicable
  + Journal entries, authorizations
  + Recording net patient revenue and the interface with the billing system
  + Accounts receivable and bad debt expense
  + Financial reporting
    - Schedule and distribution
  + Asset and inventory control and management
  + Reimbursement requests and required documentation
    - Travel and entertainment
    - Professional development
* Budget procedures
  + Annual income and expense budget
  + Monthly/quarterly reporting of actual as compared to budget, variance explanations
* Contracting procedures
* Purchasing
* Operating Reserves and Endowments
* Personnel policies and procedures, if applicable
* Schedule D-6 reporting including uncompensated cost of care calculation

**Revenue Cycle Operations**

* Confidentiality, HIPAA
* Overview of health information technology: patient financial system, interfaces with EHR/EMR, accounting system
* Staff training and feedback
* Professional behavior/customer service standards
  + Communications with patients
  + Communications with physicians
* Physician credentialing, enrollment, and provider IDs
* Chargemaster administration
  + Professional fee schedules
* Clinical trials billing
* Patient-friendly billing
* Managed care contracting
* Management reports and key performance indicators: definitions, schedule and distribution
* Quality assurance
* Patient registration
* Financial evaluation
* Financial assistance policies and procedures
* Verifying coverage
* Preauthorization, precertification, medical necessity
* Scheduling
* Charge capture
* Medical records documentation
* Coding
* Billing compliance
* Clean claim definition
* Electronic transmission of claims
* Accounts receivable management, to include filing appropriate documents to perfect valid physician liens
* Recording/posting EOBs, payments, denials
* Refund procedures
* Denials management
  + Appeals and resubmissions, responding to medical records requests
  + Feedback loop to improve initial claims submissions
* Collections
  + Collection agencies
  + Uncollectible accounts
  + Referral of matters to the Office of General Counsel (OGC) in compliance with OGC Guidelines for Referral

**Compliance**

* General statement “Each Member shall abide by the ethical standard and principles of the state and national professional associations of the Member’s discipline. Each Member shall comply with federal, state, and local laws and regulations.”
* Conflict of interest policies and statements
* Whistleblower policy, compliance hotline
* Medical billing compliance program
* Document retention policy
* Risk management
* Audit schedule