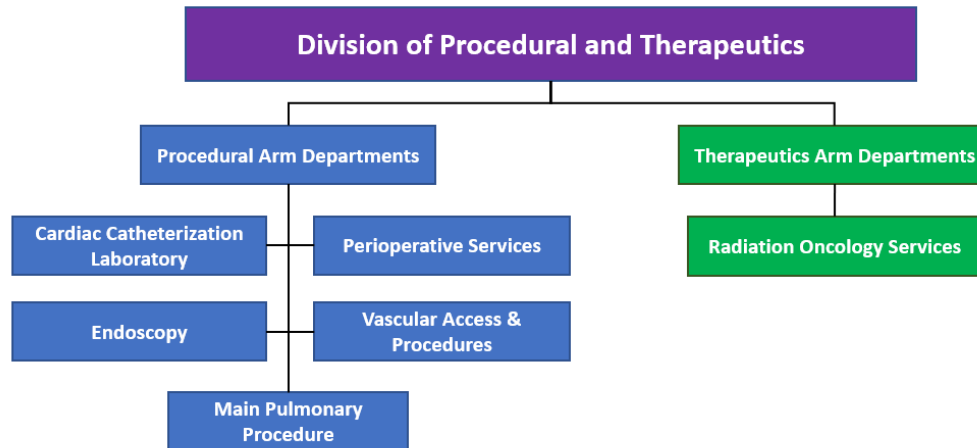


22-108 Division of Procedural and Therapeutics Review

EXECUTIVE SUMMARY

The Procedural and Therapeutics Division (“The Division”) was established in 2021 to align institutional revenues to expenses. The Division employs approximately 5% of the MD Anderson workforce (1,187 employees) who collectively generates \$1.2 Billion¹, representing 11% of the institution’s gross patient revenues. The Division is comprised of two arms which oversee six procedural-based or therapeutics departments. At the time of our review, the Division had approximately 30 current or planned ongoing quality initiatives aimed at continuously ensuring the safest and highest quality of care.



Internal Audit performed a review of the Division to provide a general assessment of the financial and administrative activities, including charge capture and reconciliations.

The Division has not been provided adequate administrative resources to establish the infrastructure necessary to oversee and monitor several complex departments. As a result, we have identified the following opportunities for improvement:

- Improve Charge Capture Reconciliation Oversight
- Export MosaiQ Charges into EPIC Timely
- Implement Controls to Protect IT Assets
- Ensure All External Nursing Agency Invoices are Adequately Supported
- Consistently Approve Kronos Timecards

Less significant recommendations have been communicated to management under a separate cover. Further details are outlined in the Detailed Observations section below.

At the time of our review, there were outstanding observations related to asset management of capital and controlled equipment, and medical devices. As a result, these areas were excluded from this review.

¹ Based on July 2022 data

Management Summary Response:

Management agrees opportunities exist and recommends holistic approach to areas identified including findings that are systemic in origin. Commitment to partnering with relevant stakeholders to provide sustainable solution was agreed upon.

Appendix A outlines the methodology for this project.

The courtesy and cooperation extended by the personnel in the Division of Procedural and Therapeutics and its respective departments are sincerely appreciated.

Sherri Magnus

Sherri Magnus, CPA, CIA, CFE, CRMA, CHIAP
Vice President & Chief Audit Officer
November 2, 2022

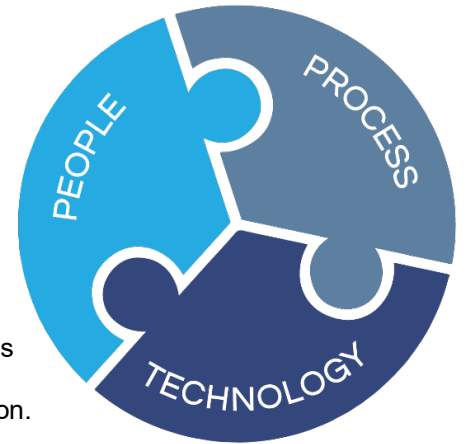
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**Observation 1:
Enhance Administrative Infrastructure****Ranking: HIGH**

Best practices suggest that three components are essential for optimal management and effective infrastructure: People, Processes, and Technology.

Although Procedural and Therapeutics has sufficient technology, they have not been provided sufficient personnel to establish the infrastructure necessary to oversee key financial and administrative activities or implement centralized processes. This has led to inconsistencies and control gaps among the departments in the following key areas: revenue reconciliations, IT asset monitoring, and Kronos timekeeping.

Additionally, the Division does not have adequate oversight of individuals performing administrative tasks (such as certification of STAT sampling and procurement card purchasing) in other areas on behalf of the Division. Without the necessary resources, management is unable to provide an infrastructure to adequately oversee and monitor the activities of this \$1B Division.



Recommendation: Management should obtain the resourcing needed to adequately oversee all key financial and administrative activities, implement processes, and enhance the procedural arm administrative infrastructure.

Executive Leadership Team Member: Rosanna Morris
Division/Department Executive: Robert Ghafar
Owner: Robert Ghafar
Implementation Date: August 1, 2023

Management's Action Plan (Division level):

The division will look to gain approval for the recruitment of a leader whose role will be that of oversight over key institutional financial controls. This individual, in partnership with the procedural and therapeutic areas will ensure monitoring and adherence of administrative policies is maintained. Additionally, this individual will periodically audit administrative processes to validate compliance.

Executive Leadership Team Member: Rosanna Morris
Division/Department Executive: Robert Ghafar
Owner: Elizabeth Ninan
Implementation Date: 2/28/2023 or until hires approved/filled

Management's Action Plan (Procedural Area):

*Institutional reorganization should also be associated with re-mapping or providing FTE resources for these critical functions. The findings in this audit in procedural areas are reflective of the deficit in planning. **Appendix B** depicts the organization plan for right sizing the administrative needs for the newly merged procedural operations.*

We perform the STAT sampling for all Procedural Ops. No deficit noted in this audit or previous.

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Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Donique Williams
 Implementation Date: 2/28/2023 or until hires approved/filled

Management’s Action Plan (Therapeutics Area):

*The Institutional reorganization resulted in FTE deficits in areas of financial oversight, and asset management **Appendix B** depicts the organizational structure required to successfully sustain Therapeutic Operations and Institutional compliance.*

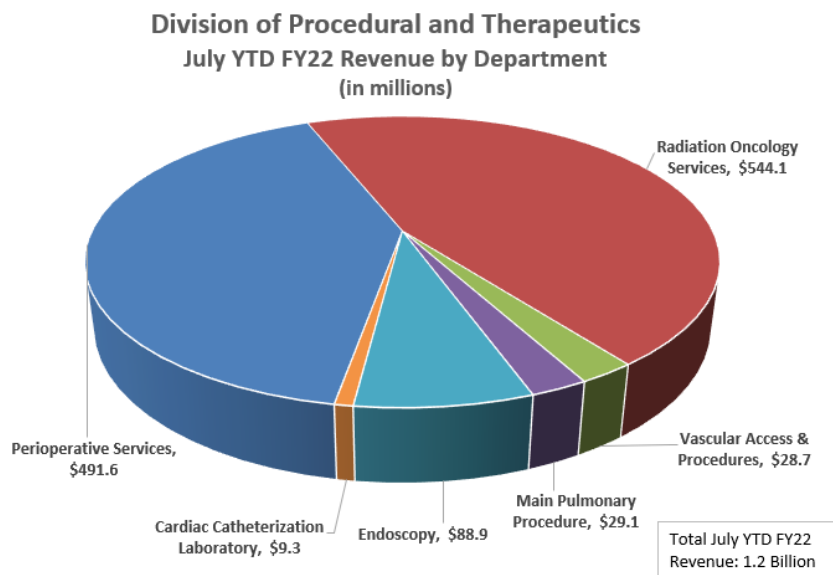
All Therapeutic financial control and procurement activity currently being performed by the Division of Radiation Oncology due to lack of resources in P&T

All Therapeutic Asset management and scanning currently being performed by the Division of Radiation Oncology due to lack of FTE support

Charge Capture

Divisions and their respective Departments are responsible for establishing appropriate controls to ensure services provided are billed timely (i.e. Charge Capture). Key controls should include, but are not limited to, daily and monthly revenue reconciliations, consistent review of third-party systems involved in charge capture processes, and timely follow-up to ensure services provided may be billed.

Observation 2: Improve Charge Capture Reconciliation Oversight **Ranking: HIGH**



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Perioperative Services, Cardiac Catheterization Laboratory, Endoscopy and Main Pulmonary Procedure have processes in place to ensure services rendered have associated charges. However, Vascular Access and Procedures processes may be improved. The Vascular Access and Procedures Department completed over 65,000 outpatient and inpatient appointments but did not consistently perform charge capture reconciliations. Also, they do not have the administrative support to ensure all charges are completely and accurately captured for services rendered.

Institutional Policy requires accurate, complete, and timely reconciliation of all charges for services rendered. Without consistent reconciliations performed for all departments, the Division may not be fully capturing its charges or billing for all services rendered.

Recommendation: Management should improve charge capture oversight to ensure reconciliations are consistently performed for all departments within the Division.

Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Elizabeth Ninan
 Implementation Date: 2/1/2023 or when FTE are approved.

Management's Action Plan (Procedural):

We are planning to hire a Clinical Billing Specialist (CBS) to improve the charge capture process in Vascular Access and Procedures. We plan to also bolster the procedural operations finance team with another financial analyst (3rd) and another CBS to account for all new departments and impending growing scale of procedural operations. The structure will also allow for audit and reporting by our internal teams to help ensure timely reviews. This infrastructure was not provided at the start of the merger and was not brought over or performed for the former divisions in which the department arose. The new structure addresses this gap and will need to be scaled for growth.

Institutional reorganization should also be associated with re-mapping or providing FTE resources for these critical functions.

**Observation 3 (Therapeutic Area):
 Export MosaiQ Charges into EPIC Timely**

Ranking: MEDIUM

The Therapeutics Arm utilizes MosaiQ to initiate charges which are transferred to EPIC for billing. As of July 13, 2022, there were 400 MosaiQ transactions which had not exported or posted timely to EPIC as required by Institutional Policy. Approximately 100 of the 400 transactions were billable. Over the years, Management has continued to enhance this process, reducing the amount of pending charges to consistently less than 1% of Gross Patient Revenues. As of June 2022, pending charges totaled \$1.3 million. While the percentage of gross patient revenue is small comparatively, the Division may not be capturing charges for all services rendered.

Recommendation: Management should strengthen processes to ensure all charges are exported to EPIC timely.

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Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Sean Pham
 Implementation Date: January 1, 2023

Management's Action Plan:

Our action plans to increase timeliness and reduce late charges from MosaiQ to Epic are:

- *Billing Coordinator/Manager review Billing Dashboard/work assignments daily and notify their billing team the number of charge lines that are older than 11 workdays. Billing Specialist staff will follow up, capture and/or resolve line items, as per current billing operations.*
- *Billing Coordinator/Manager review Billing Dashboard/work assignments weekly and work with their billing team to resolve any charge lines older than 30 workdays, as much as possible.*
- *Communicate with providers to reinforce 30 days billing window - if there is no supporting documentation for the services rendered after the third email notification and 30 work-days from the service date, the services will be no charge and reported as missed opportunities to Division Head and Section Chiefs.*

Asset Management

Each Division and its respective Departments are responsible for adequately safeguarding, maintaining, and accounting for their assets throughout the entire asset life cycle.

Observation 4: Implement Controls to Protect IT Assets

Ranking: HIGH

Procedural and Therapeutics had 12 computers and 41 mobile computing devices which did not have sufficient protective measures installed at the time of our review, some of which the owners disclosed included sensitive information. Management has indicated that they do not have sufficient resources to adequately manage their assigned assets; however, the Information Resources Security Operations Manual requires the protection of desktops, laptops, and mobile computing devices that view or store confidential information. Without these device management protections, sensitive information could be accessible to unauthorized individuals.

Recommendation: Management should implement monitoring controls to ensure IT assets are sufficiently protected.

Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Elizabeth Ninan
 Implementation Date: November 30, 2022

- 1a) Effective immediately Procedural area reports down to review non-encryption list
- 1b) Meeting to be scheduled with IS

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Management's Action Plan (Procedural)

1a) Procedural Operations Management will ensure controlled monitoring by utilizing available institutional reports and collaborate with Information Services partners to form a barrier for safeguarding IT assets.

1b) Another priority is managing this systems issues. We will also work with IS operations to enable a more robust process of ensuring items provided to departments are already encrypted. This should also be an institutional expectation.

Executive Leadership Team Member: Rosanna Morris

Division/Department Executive: Robert Ghafar

Owner: Donique Williams

Implementation Date: March 1, 2023

Management's Action Plan (Therapeutics)

Management should implement monitoring controls to ensure IT assets are sufficiently protected.

Added additional team members to ensure segregation of duties:

- Operations Manager provides oversight of all Radiation Oncology services assets
- Designated Administrative Coordinator and Administrative Director of each location will be responsible for the assets in their area including quarterly audit of a select number of IT assets
- Operations Manager will work with designated data security champion to ensure institutional compliance with a quarterly review.

Personnel Management

Personnel management includes, but is not limited to, timely approval of employee timecards, monitoring of overtime (OT) or critical staffing pay (CSP) usage, and assessment of external agency staffing.

Observation 5:

Ensure all Nursing Agency Invoices are Adequately Supported

Ranking: MEDIUM

External agency nurses are utilized throughout many areas of MD Anderson to compensate for staffing shortages. Each nursing agency agreement requires manager-approved timesheets to accompany all invoices submitted. According to Procedural and Therapeutics Management, the Division of Nursing and Accounts Payable are currently reevaluating processes for nursing agency timekeeping, invoicing, and payment.

Procedural and Therapeutics utilized \$500,000 in agency nurse resources in FY22. Our review of 10 nursing agency invoices approved for payment by the Procedural and Therapeutics, revealed that 30% did not include the required manager-approved timesheets. Without the supporting manager-approved timesheets, the Division is at risk of paying for services which may not have been provided.

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Recommendation: Management should collaborate with the appropriate parties to ensure consistent practices are followed for nursing agency timekeeping, invoicing, and payment. Further, Management should ensure all Division-specific nursing agency invoices are adequately supported by manager-approved timesheets prior to approving for payment.

Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Elizabeth Ninan
 Implementation Date: November 30, 2022

Management's Action Plan (Procedural)

In partnership with Division of Nursing, area management will observe consistent practices to ensure proper capture of agency time worked, facilitate approval of said time and assure appropriate invoicing with supporting documentation.

Observation 6:
Consistently Approve Kronos Timecards

Ranking: MEDIUM

For a sample of 4 months reviewed, no manager approved timecards were obtained for 21 employees in the Division, 15 of which were non-exempt. Institutional Policy requires department managers to review all time and leave captured in Kronos for accuracy and complete approval by 11:59p.m. each Tuesday. Without consistent and timely approval of all employee timecards, the risk of errors or inaccuracies related to working time, overtime, paid time off (PTO), critical staffing time (CST), etc. is increased.

Recommendation: Management should enhance oversight controls to ensure consistent, and timely approval of employee timecards occurs.

Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Elizabeth Ninan
 Implementation Date: February 28, 2023

Management's Action Plan (Procedural):

1a) Reminders sent to clinical leaders to review timecard and OT/Agency practices and ensure signoff is timely.

1b) Helpful tools and reminders being developed to encourage higher compliance.

Executive Leadership Team Member: Rosanna Morris
 Division/Department Executive: Robert Ghafar
 Owner: Jesseka Landin
 Implementation Date: December 1, 2022

Management's Action Plan (Therapeutics):

We have reviewed timekeeping policies including overtime. Educational materials used to reinforce timekeeping were cascaded down through email and communication by local managers to increase knowledge and familiarity of the new Kronos Dimensions.

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- *We led weekly refresher training for timekeeping for 3 months*
- *Incorporated Kronos timekeeping education in employee and manager onboarding curriculum*
- *We ran monthly reports to ensure compliance of timekeeping and OT policy*

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Appendix A**Objective, Scope and Methodology:**

The objective of the review is to provide a general assessment of the financial and administrative activities, including charge capture and reconciliations for the period of September 1, 2021 thru June 30, 2022 and any related periods.

Our methodology included the following:

- Interviewed key personnel and reviewed relevant organizational policies
- Examined timekeeping and leave records to determine if institutional leave management and overtime policies were followed
- Reviewed the use and payment of nursing agencies
- Reviewed IT assets reported as not encrypted and validated current status
- Reviewed the results of the most recent annual physical inventory scanning and assessed processes and controls over assets
- Tested procurement card reconciliations for evidence of appropriate segregation of duties and allocation of funds.
- Selected a number of STAT sampling transactions identified as correct and incorrect to determine if expense was supported and corrective action was taken to resolve incorrect expenses
- Examined review processes in place over purchased services
- Reperformed implant log reconciliations for relevant departments and recalculated mark-up of sampled implants to ensure amount was appropriate
- Reviewed charge capture processes including daily and monthly reconciliations
- Obtained and reviewed the number of unsigned notes and unsent charges in any third-party systems used

Our internal audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. The internal audit function at MD Anderson Cancer Center is independent per the *Generally Accepted Government Auditing Standards (GAGAS)* requirements for internal auditors.

Number of Priority Findings to be monitored by UT System: *None*

A Priority Finding is defined as “an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.”

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Appendix B: Procedural and Therapeutics Management’s organizational plan required to meet the administrative needs of the Division.

Procedural Ops

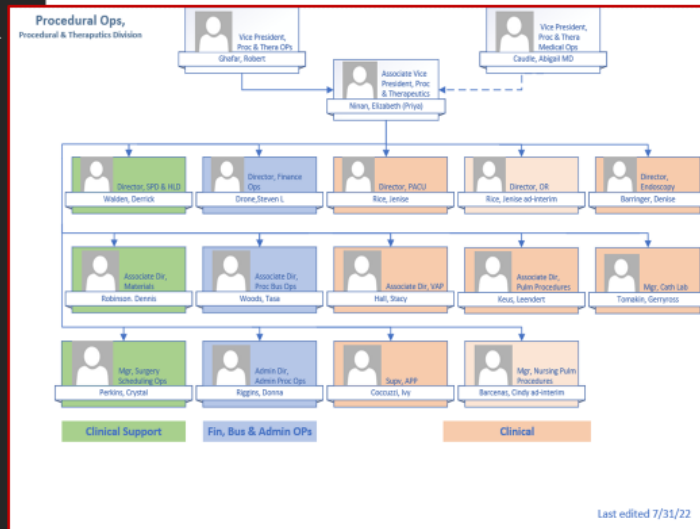
Procedural side of the division of P&T

11 Primary Departments

- 7 Revenue Generating Clin Depts
- 3 Service Direct Clinical Support centers
- 1 Admin Cost Center
- Expansion for OR, Endo, Pulm , PACU, SPD in the next FY.

Represents =

- 830 + employees
- \$731M+ in GRP in FY22
- 5000+ Assets (medical device/IT)
- Centralized team at the Proc Admin level
- Direct footprint in Mays, Main, and LSP, NWSC.
 - Indirect support for HALS



Last edited 7/31/22

Proc Ops Finance Team

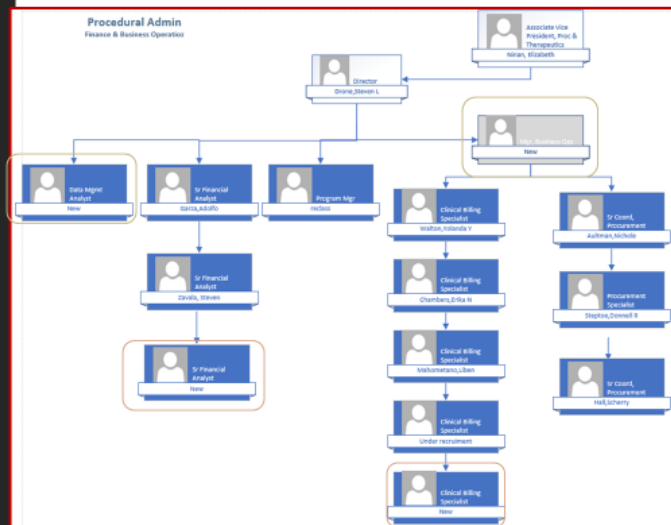
3 Major Oversight Areas

- Financial & Data reporting for each department 11+
- Coding and Billing Integrity for 7 rev. generating depts
- Procurement –500+ /urgent capital

FTE ratio based on

- Sr. FA # of department (reporting, auditing areas)
- CBS: Billed area volume demands
- Procurement: Timely PO creation volume

We need 2 positions urgently & 2 for better support

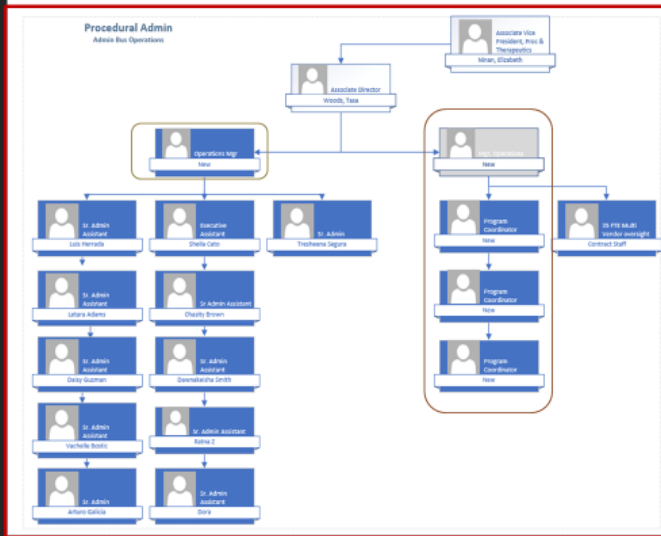


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Proc Ops Bus Ops Team

Two main sectors

- **Administrative Support Team oversight**
 - Fund Approver
 - EPAF controller
 - Agency Tracking
- **Business Operations Oversight**
 - Space Custodial management,
 - FARS coordination
 - Service contracts
 - Service KPIs,
 - QBR
 - Vendor Contract Management
 - Medical Device Oversight
 - Commissioning /Decommission
 - Downtime tracking
 - Usage reports
 - Partnership CE, Fin Ops, AVP on capital strategy
 - IT Assets Oversight
- **We need 3 Prog Coordinators urgently.**
 - 2 mgmt. positions helps provide closer oversight for large division



Therapeutics Finance Team

3 Major Oversight Areas:

- Activity Forecast & Budget Planning for the TMC and HAL Radiation Oncology Services
- Financial & Data reporting for TMC and HAL Radiation Oncology Services
- Coding and Billing Integrity for Enterprise Radiation Oncology - 13 revenue generating departments / \$1B+ in tech and pro charges per year
- Charge Denial Management for Enterprise Radiation Oncology - 13 departments and \$13M in PB charge denials per year
- Management of \$17M Service/Vendor Contracts and \$20M capital equipment request (do we have the approved capital budget yet?)
- Procurement 200+ requests per month

FTE ratio/justifications:

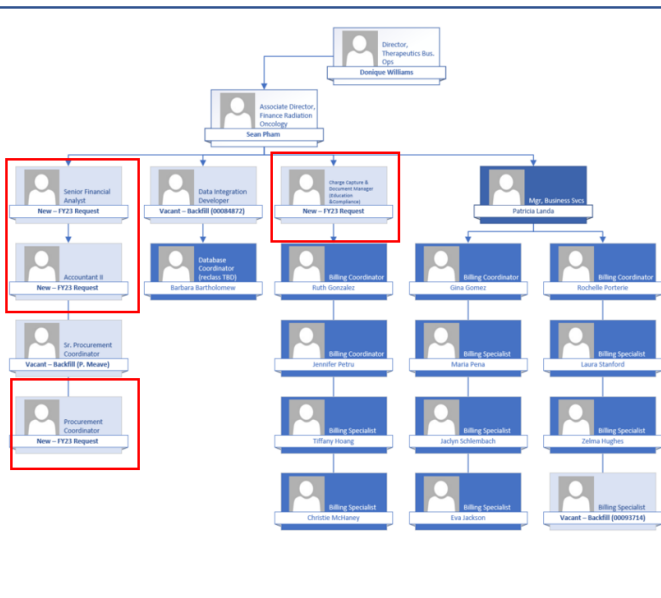
- Sr. FA # of department (reporting/auditing areas)
- Accountant II # perform financial controls for 15 units
- Procurement – Timely PO creation volume
- Manager, Business Ops – management of \$17M Service Contracts and \$13M capital equipment budget
- Charge Capture & Document Manager – charge capture, billing compliance & education demands

FTE FY23 New Requests:

- Sr. FA – **Urgent Request**
- Accountant II
- Procurement Coordinator
- Manager, Business Ops
- Charge Capture & Document Manager – **Urgent Request**

FTE Backfills

- Sr. Procurement Coordinator



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Therapeutics Business Operations

2 Main Sectors:

Administrative Support Team Oversight

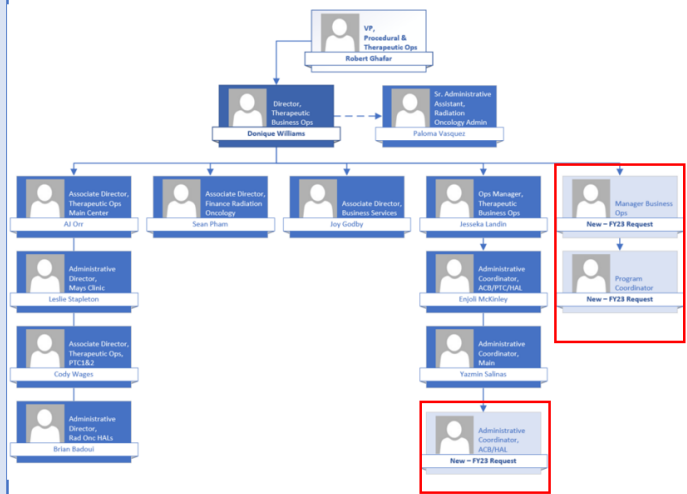
- Fund Approver
- ePAF Controller
- Agency Tracking

Business Operations Oversight

- Space Custodial Mgmt.
 - FAR Coordination
- Service Contracts
 - Service KPIs
 - Vendor Contract Mgmt.
- Medical Device Oversight
 - Commissioning/Decommissioning
 - Downtime Tracking
 - Usage Reporting
 - Partnership Clin Ops Leaders, Fin Ops, Dir.BO on Capital Strategy
- IT Asset Oversight

FTE FY23 New Requests:

- Manager Business Ops
- Program Coordinator
- Administrative Coordinator



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