

# UT Southwestern

## Medical Center

### **Medical Center at Frisco Off-Site Operations Audit Internal Audit Report 22:15**

**August 22, 2022**

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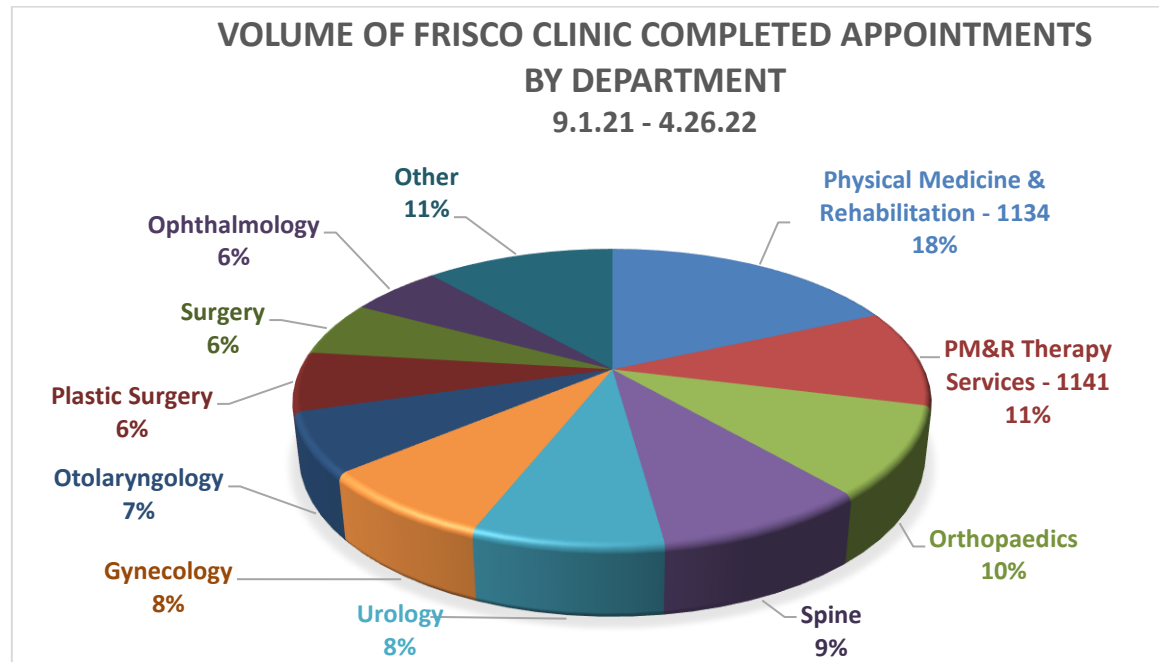
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# Executive Summary

## Background

The UT Southwestern Medical Center at Frisco (Frisco Clinic) is located approximately 30 miles from the main UT Southwestern Medical Center campus at the northeast corner of the Dallas North Tollway and Eldorado Parkway in Frisco, Texas. The Frisco Clinic opened December 3, 2019 and offers a variety of services ranging from imaging to therapy services across 12 specialties and over 20 clinics with the majority of procedures performed on-site.

The Frisco Clinic Medical Office Building complex was developed on property owned by Texas Health Resources (THR) and adjacent to the Frisco THR hospital. The majority of Frisco Clinic providers have privileges at THR and there are predefined terms which apply to sharing profits and when professional fees may be collected.



The table to the left represents the total volume of completed appointments for the Frisco Clinic across all departments for the period of September 1, 2022 through April 26, 2022.

During Fiscal Year 2022 Therapy Services split into two separate department codes based upon services provided. Physician services fall under code 1134 and Therapist services under 1141. Previously, all therapy services were recorded under code 1134; therefore, the percentage represented on the left also includes therapists.

**Other:** Dermatology, Digestive Disease, Pediatric Digestive Disease, Vascular Surgery, Pediatric Pulmonary, Pediatric Neurology, Neurology, Adolescent Medicine, Radiology Interventional and Pediatric Blood Disorders.

# Executive Summary

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## Scope and Objectives

The Office of Internal Audit Services has completed the Medical Center at Frisco Off-Site Operations Audit. This audit was part of the FY2022 Audit Plan as a risk-based audit. The audit objectives included:

- Front end procedures including cash handling and patient check-in align with organizational standards
- Charges are properly captured and payments collected
- Personal Health Information protection processes are in place and align with organizational standards
- Physical access to clinics and security measures for medication and supplies are in place
- Ongoing monitoring and oversight of clinical operations are in place

Audit procedures included interviews with stakeholders, review of policies and procedures and other documentation, substantive testing, and data analytics. We conducted our examination according to guidelines set forth by the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

## Conclusion

Overall, the procedures and controls for front end processes, charge capture, monitoring and physical security of medication and supplies are well designed. Opportunities for improvement include strengthening cash handling controls, updating off-site procedures and enhancing patient check-in practices. Management at the Frisco Clinic was very cooperative and responsive and completed most management action plans before the conclusion of the audit.

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

Priority (0)	High (0)	Medium (2)	Low (0)	Total (2)
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Key observations are listed below.

- **#1 Evaluate Cash Handling Processes for Off-Site Locations** – Cash bags are not returned in a timely manner to Ashton Business Services when employees leave the organization or switch to new roles no longer requiring use of a cash bag and cash bag counts are not being performed daily in accordance with Ambulatory policy and increases the risk of missing funds going undetected.

## Executive Summary

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- **#2 Enhance Patient Check-In Monitoring Controls** – Frisco Clinic practices do not include routine review of closed patient encounters with *No Show* or *Cancelled* statuses to ensure appropriate status and charging accuracy. Inaccurate appointment status could result in billing errors.

We would like to take the opportunity to thank the individuals included in this audit for the courtesies extended to us and for their cooperation during our review.

Sincerely,

Valla Wilson, Vice President and Chief Audit Executive, Office of Internal Audit Services

**Audit Team:**

Teresa Labbé, Senior Auditor, Office of Internal Audit Services

Martin Anibaba, Assistant Vice President, Office of Internal Audit Services

cc: Daffodil Baez, Assistant Director, Clinical Operations, Ambulatory Services  
Mohammed Bari, Director, Regional Ambulatory Operations, Ambulatory Services – Medical Center North  
Julie Buchl, Director, Therapy Services, Nursing Administration Support  
Toni Eby, Associate Vice President and Chief Operating Officer, Ambulatory Operations  
Kathryn Flores, Assistant Vice President and Chief Information Officer, University Hospitals  
Kathy Gray, Accounting Supervisor Revenue Cycle – Quality Assurance and Analytics  
Susan Hernandez, DNP, Associate Vice President and Chief Nursing Executive, Heath System Nursing Operations  
Hicham Ibrahim, M.D., Associate Vice President and Chief Medical Officer, Ambulatory Operations  
Elizabeth Johnson, Manager, Ambulatory Services – Frisco Medical Center Clinic  
Kelly Kloeckler, Associate Vice President, Revenue Cycle Operations  
Christopher McLarty, DNP, Associate Vice President and Chief Nursing Officers, Ambulatory Services  
Chris Matta, Director, Revenue Cycle and Business Systems, IR Health Systems  
Mark Meyer, Health System Chief Financial Officer, Hospital Administration  
Heather Mishra, Associate Vice President Academic & Administrative Information Systems,

## **Executive Summary**

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Brandi Newman, Clinical Staff Supervisor, Ambulatory Services – Medical Center Clinic Frisco

Joseph Nguyen, Director of Controlled Substance Compliance, Office of Compliance

Natalie Ramello J.D., Vice President for Office of Compliance and Chief Compliance Officer

Joshua Ruiz, Manager, Outpatient Therapy Services

Stephanie Swanson, Director Mg Financial, Manager Financial Affairs - MG Finance-Admin

Kory Termine, Director, Ambulatory Business Services, Ambulatory Services

Seth Toomay, Assoc VP & HS Chief Medical Officer

John Warner, M.D., Executive Vice President, Health System Affairs

Nicole Wiggs, Assistant Manager and Therapy Staff Coordinator, Ambulatory Services – Medical Center Clinic Frisco

Michele Wingate, Associate Vice President, Finance Practice Plan, Medical Group Financial Affairs

## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Medium</b> ●</p> <p><b>1. Evaluate and Enhance Cash Handling Processes</b></p> <p>Cash bag counts at the Frisco Clinic location are not being performed daily and cash bags are not returned in a timely manner to Aston Business Services when Clinical Staff Assistants (CSAs) leave the organization or switch to new roles no longer requiring use of a cash bag. This increases the risk of missing funds going undetected and is not in compliance with Ambulatory cash policy requirements. Additionally, there is not a formal practice for ensuring the Frisco clinics have change funds available and the Courier log is not used for tracking deposits and documentation for daily cash counts.</p>	<ol style="list-style-type: none"> <li>1. Ensure the return of the cash bag assigned to the CSA who terminated in January 2022 to Aston Business Services.</li> <li>2. Implement the use of the Courier Log per AMB SOP 2.04.</li> <li>3. Evaluate and determine best processes for addressing cash bag returns, change funds and cash count requirements for the Frisco clinics. Update policy AMB SOP 2.04. Train employees and conduct monitoring to ensure compliance with policy</li> </ol>	<p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>1. We will make arrangements to return the cash bag for the terminated CSA to Aston Business Services.</li> </ol> <p><b><u>Action Plan Owner(s):</u></b> Assistant Director Clinical Operations</p> <p><b><u>Target Completion Date(s):</u></b> Completed</p> <p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>2. We will implement the use of the Courier Log per AMB SOP 2.04.</li> </ol> <p><b><u>Action Plan Owner(s):</u></b> Assistant Director Clinical Operations</p> <p><b><u>Target Completion Date(s):</u></b> Completed</p> <p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>3. We will work to develop alternative processes to address the return of cash bags and making of change for Frisco and include in off-site policy updates.             <ol style="list-style-type: none"> <li>3.A. We will make policy updates.</li> <li>3.B. We will obtain approvals of policy updates.</li> </ol> </li> </ol>

## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
		<p>3.C. We will communicate policy updates to clinic personnel and conduct monitoring procedures to ensure compliance with policies.</p> <p><b>Action Plan Owner(s):</b> Assistant Director Clinical Operations Accounting Supervisor, MG Revenue Cycle – Quality Assurance and Analytics Director, Ambulatory Business Services, Ambulatory Services</p> <p><b>Target Completion Date(s):</b> 3.A. October 31, 2022 3.B. December 31, 2022 3.C. January 31, 2022</p>
<p><b>Risk Rating: Medium</b> ●</p> <p><b>2. Enhance Patient Check-In Monitoring Controls</b> Frisco Clinic practices do not include routine review of closed patient encounters with <i>No Show</i> or <i>Cancelled</i> statuses to ensure charging accuracy. There is potential for patients to receive a bill for unrendered services which could result in negative patient satisfaction and impact patient retention.</p>	<ol style="list-style-type: none"> <li>1. Continue to review the remaining identified patient encounters with <i>No Show</i> or <i>Cancelled</i> statuses with associated charges and make status update changes as applicable.</li> <li>2. Implement an ongoing review of closed patient encounters with <i>No Show</i> and <i>Cancelled</i> statuses to ensure accuracy.</li> </ol>	<p><b>Management Action Plan:</b></p> <ol style="list-style-type: none"> <li>1. We will continue to review the identified patient encounters, will make appropriate updates for encounters which were completed and will address any outliers.</li> <li>2. We will implement a quarterly review of appointments with <i>No Show</i> and <i>Cancelled</i> statuses for outliers using the Daily Appointment Report (DAR) through Clarity in EPIC.</li> </ol>



## Detailed Observation and Action Plans Matrix

Observation	Recommendation	Management Response
<p>Review of closed patient encounters across all clinics with a status of <i>No Show</i> or <i>Cancelled</i> identified 115 encounters with associated charges.</p> <p>Initial review of 15 encounters showed the majority to be completed telehealth appointments without corresponding status updates and charges to be appropriate. An update to the EPIC system addressed a workflow issue for telehealth visits.</p> <p>Patient IDs, insurance cards and signed Advance Beneficiary Notice of Non-Coverage (ABN) are not consistently obtained across all clinics when needed. When documentation is not routinely updated there could be delay in verifying coverage or inability to locate patients and obtain payment for services rendered.</p>	<p>3. Provide refresher training to CSAs regarding document collection at the time of patient check-in.</p>	<p>3. We will provide refresher training to CSAs regarding proper documents to collect at time of patient check-in.</p> <p><b><u>Action Plan Owner(s):</u></b> Assistant Director Clinical Operations</p> <p><b><u>Target Completion Date(s):</u></b></p> <ol style="list-style-type: none"> <li>1. September 30, 2022</li> <li>2. October 31, 2022</li> <li>3. Completed</li> </ol>

## Appendix A – Risk Classifications and Definitions

As you review each observation within the Detailed Observations and Action Plans Matrix of this report, please note that we have included a color-coded depiction as to the perceived degree of risk represented by each of the observations identified during our review. The following chart is intended to provide information with respect to the applicable definitions and terms utilized as part of our risk ranking process:

<p><b>Risk Definition-</b> The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.</p>	<p><b>Degree of Risk and Priority of Action</b></p>	
	<p><b>Priority</b></p>	<p>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.</p>
	<p><b>High</b></p>	<p>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.</p>
	<p><b>Medium</b></p>	<p>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.</p>
	<p><b>Low</b></p>	<p>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.</p>

It is important to note that considerable professional judgment is required in determining the overall ratings presented on the above pages of this report. 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.