



**The University of Texas Southwestern Medical Center  
Richardson/Plano Clinic Operational Audit**

**Internal Audit Report 14:09**

**November 24, 2014**

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# Executive Summary

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## **Background**

The Clinical Center at Richardson/Plano (Clinical Center) is one of three University of Texas Southwestern Medical Center (Medical Center) remote clinics providing ambulatory services.

Nineteen providers at the Clinical Center serve patients in seven ambulatory specialties; Physical Therapy, Sports Medicine, Obstetrics/Gynecology, Family Medicine, Behavioral Health, Urology and Neurology. See Appendix B for statistics on the volume of patient encounters by specialty during FY2014.

There is a staff of seven Clinic Staff Assistants (CSA) reporting to the Clinic Staff Supervisor, which is responsible for front office activities including scheduling, pre-appointment information, patient check-in and check-out, and point of service (POS) collections of patient co-pays, coinsurance and prior balances. The system of record for all patient encounters and billing information is Epic.

## **Scope and Objectives**

The Medical Center Office of Internal Audit has completed its audit of the Richardson Plano Clinical Center front end and charge capture processes. This is a risk based audit and part of the fiscal year 2014 Audit Plan.

The audit scope period included activities of the Clinical Center from September 2013 to September 2014. Audit procedures included interviews with management, review of policies and procedures, 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.

Fieldwork was initiated, performed, and completed during September and October 2014 and consisted of the following primary objectives:

- Adequate controls are in place for scheduling and the gathering of required pre-appointment information.
- Payments received at the clinic are adequately safeguarded and processed in accordance with policies and procedures.
- Adequate controls exist for charge capture processes to ensure completeness and timeliness of charges.
- Clinic performance metrics and monitoring processes are in place.

## **Conclusion**

Overall, processes and controls were in place and operating effectively. We did not identify any significant observations (i.e. high or medium/high). Specific strengths include:

- Cycle wait times are reasonable and subject to monitoring.
- Essential patient information is obtained and/or verified prior to the scheduled appointment.

## Executive Summary

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- Effective procedures are in place to ensure appointment statuses are updated in the Epic system.
- Daily reconciliation procedures are in place and completed in a timely manner.
- Effective controls are in place over point-of-service (POS) collections and the safeguarding of payer information.

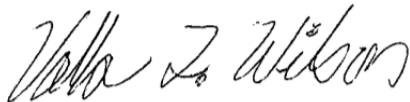
Included in the table below is a summary of the observations noted, along with the respective disposition of these observations within the Medical Center internal audit risk definition and classification process. See Appendix A for Risk Rating Classifications and Definitions.

High (0)	Medium/High (0)	Medium (0)	Low (2)	Total (2)
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Low risk observations were noted to improve operations for daily reconciliation procedures and pre-appointment communication with patients on significant (i.e., greater than \$100) POS amounts due. Management has plans to address the issues identified in the report and in some cases has already implemented corrective actions. These responses, along with additional details for the observations, are listed in the Detailed Observations and Action Plans Matrix (Matrix) section of this report.

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

Sincerely,



Valla Wilson, Assistant Vice President for Internal Audit

**Audit Team:**

Yasemin Polat, Internal Auditor II  
 Kelly Iske, Manager of Internal Audit  
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## Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Low</b> ●</p> <ol style="list-style-type: none"> <li>Daily reconciliations of patient appointments and collection deposit activities to Epic system data were performed for each specialty; however, the following opportunities to strengthen the reconciliation procedures were identified. <ul style="list-style-type: none"> <li>Clinical Center management did not complete the Daily Front Desk Clinic Reconciliation Checklist for Physical Therapy (PT), instead sending the partially completed checklist and support to PT billing management to be completed per their request. Without completing reconciliations for all Clinical Center specialties, collection variances may not be identified.</li> <li>The Clinical Staff Supervisor completed the reconciliations on some days where she also performed collection procedures, which is an inappropriate segregation of duties.</li> <li>Out of a sample of 52 Daily Front Desk Clinic Reconciliations tested, three (6%) did not accurately reconcile the Patient Sign-In Sheets to the End of Day Daily Appointment Report (DAR) reconciliation. Inaccurate reconciliations could result in patient charges not being captured and potential lost revenue.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>Implement procedures to complete the daily reconciliation checklist for PT.</li> <li>Implement procedures that require the daily reconciliation be performed or reviewed by an individual who did not perform collection activities.</li> <li>Review the DAR reconciliation totals for accuracy prior to completion and sign-off of the Daily Front Office Reconciliation Checklist.</li> </ol>	<p><b><u>Management Action Plans:</u></b></p> <ol style="list-style-type: none"> <li>Richardson Clinic has taken the responsibility to complete the reconciliation checklist for PT.</li> <li>On a day where the CSA Supervisor performs collection procedures, she will delegate reconciliations to the Clinic Manger.</li> <li>The DAR reconciliation totals will be reviewed for accuracy prior to completion and sign-off of Daily Front Office Reconciliation checklist. Because care is sometimes provided to athletes off campus, there may be explainable reconciling differences between sign in sheet totals and total appointments in the final DAR.</li> </ol> <p><b><u>Action Plan Owners:</u></b></p> <p>Richardson/Plano Clinic Manager Richardson/Plano Clinic CSA Supervisor</p> <p><b><u>Target Completion Dates:</u></b></p> <ol style="list-style-type: none"> <li>Complete.</li> <li>2-3. December 1, 2014</li> </ol>

## Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Low</b> ●</p> <p>2. Procedures to call patients prior to their appointment when estimated POS payments are over \$100 and document the communication efforts in Epic are not consistently performed. Out of a sample of 54 patient POS payments over \$100, five (9%) did not show evidence in the Epic system of an attempt to reach the patient by phone.</p> <p>According to the Ambulatory Services Policies and Procedures, the clinic should “notify patients, prior to the appointment, of time-of-service liabilities that are above and beyond typical co-pay.” The Clinical Center staff calls patients who will be required to pay \$100 or more at their visit, except those that have already confirmed their appointment through the Phytel system.</p> <p>Inconsistent notification of patients with larger amounts due prior to their appointment could result in lower patient satisfaction and missed collections.</p>	<ol style="list-style-type: none"> <li>1. Review the process in place to reach customers with time-of-service liabilities that are above and beyond typical co-pay and implement procedures to ensure consistent contact (including documentation in the system) for all patients.</li> <li>2. Perform monitoring or periodic audits (e.g., spot checks) until sustained compliance is achieved.</li> </ol>	<p><b><u>Management Action Plans:</u></b></p> <ol style="list-style-type: none"> <li>1. The process in place is adequate; however, the assigned staff member was coached with regards to consistency of documentation for all contact attempts.</li> <li>2. Spot checks will be performed at least monthly to validate the execution of the process.</li> </ol> <p><b><u>Action Plan Owners:</u></b></p> <p>Richardson/Plano Clinic CSA Supervisor</p> <p><b><u>Target Completion Date:</u></b></p> <p>December 1, 2014</p>

## 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:

<b>Risk Definition - The degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management.</b>	Degree of Risk and Priority of Action	
	<b>High</b>	The degree of risk is unacceptable and either does or could pose a significant level of exposure to the organization. As such, immediate action is required by management in order to address the noted concern and reduce risks to the organization.
	<b>Medium/High</b>	The degree of risk is substantially undesirable and either does or could pose a moderate to significant level of exposure to the organization. As such, prompt action by management is essential in order to address the noted concern and reduce risks to the organization.
	<b>Medium</b>	The degree of risk is undesirable and either does or could pose a moderate level of exposure to the organization. As such, action is needed by management in order to address the noted concern and reduce risks to a more desirable level.
	<b>Low</b>	The degree of risk appears reasonable; however, opportunities exist to further reduce risks through improvement of existing policies, procedures, and/or operations. 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 presented on the subsequent 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.

## Appendix B – Richardson/Plano Clinical Center Data

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