



## Auditing and Advisory Services

P.O. Box 20036 | Houston, TX | 713-500-3160

### 23-107 DSRDP Biopsy Services

#### EXECUTIVE SUMMARY

We have completed our assurance engagement of the Dental Service Research and Development Plan (DSRDP) Biopsy Services. This engagement was performed at the request of the UTHealth Houston (UTHealth) Audit Committee and was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

#### Background

Oral Pathology (Biopsy Services) is performed and managed by pathologists and staff within the Diagnostic and Biomedical Sciences Department (Diagnostic Sciences). Biopsy kits containing patient specimens, completed requisition form, and copies of identification/insurance coverage (or prepayment) are sent to the Diagnostic Sciences lab in the School of Dentistry (SoD).

A pathology report is created to document specimens received, procedures, results, and charge codes for recording to the patient's account in axiUm. The Clinical Business and Financial Services within the SoD manages revenue cycle services including charge capture, billing, collections, and accounts receivable follow up for Biopsy Services.

#### Objectives/Scope

Our objective was to determine whether controls over charge capture, billing, collections, and accounts receivable are adequate and functioning as intended. Specifically, to determine if:

- Charge capture and billing are accurate and complete.
- Collections are properly recorded, deposited, reconciled, and monitored.
- Accounts receivable are properly managed and monitored.

#### Scope Period

April 1, 2022 to March 31, 2023.

#### Results

##### Charge Capture and Billing

We reviewed a sample of 25 encounters and verified charges were properly recorded (within two business days) and billed. Outstanding balances are monitored and worked on a monthly basis. Minor opportunities for improvement were communicated to management for consideration and implementation.

##### Collections

We reviewed a sample of 25 deposits and verified payments are properly supported, recorded in axiUm, deposited, and recorded in FMS.

Additionally, we noted:

- Monthly reconciliations between axiUm and FMS are performed and documented.
- Voids and refunds for the scope period appeared reasonable.

**23-107 DSRDP Biopsy Services**

- Unallocated payments and credit balances are monitored and reviewed weekly.
- A revenue cycle meeting is held monthly to discuss various matters including the operations summary dashboard (i.e., number of procedures, gross charges, net collections, etc.), aged balances, claim rejections, write-offs, adjustments, and other topics as deemed appropriate.

Accounts Receivable

We reviewed the Aged Balance reports for FY2022 (\$180,729) and FY 2023 (\$188,625) and noted explanations for fluctuations appeared reasonable. Additionally, we reviewed a sample of 10 bad debt transactions and noted each was written off according to departmental procedures. We noted patient and insurance adjustments are analyzed on a monthly basis for anomalies.

**Conclusion**

Overall, controls around Biopsy Services are adequate and functioning as intended. We noted no reportable observations during our procedures.

We would like to thank the staff and management in Diagnostic Sciences as well as Clinical Business and Financial Services who assisted us during the engagement.



\_\_\_\_\_  
Daniel G. Sherman, MBA, CPA, CIA  
Vice President & Chief Audit Officer

**NUMBER OF PRIORITY OBSERVATIONS REPORTED TO UT SYSTEM**

Not applicable

**MAPPING TO A&AS FY 2022 RISK ASSESSMENT**

Reference	Risk
FIN-115	The biopsy practice in the SoD does not have adequate controls to ensure all services are billed.

**DATA ANALYTICS UTILIZED**

Not applicable

**ENGAGEMENT TEAM**

VP/CAO - Daniel G. Sherman, MBA, CPA, CIA  
Supervisor - Kathy Tran, CIA, CISA, CFE, CGAP  
Lead - Shara Vialva

**END OF FIELDWORK DATE**

June 13, 2023

**ISSUE DATE**

July 10, 2023

**23-107 DSRDP Biopsy Services**

**REPORT DISTRIBUTION**

Audit Committee

Dr. Anita Joy-Thomas

Dr. John A. Valenza

Dr. Nadarajah Vigneswaran

Ashlynn Cueto

Kevin Dillon

Joe Morrow

Ana Touchstone