

# Advanced Practice Provider (APP) Utilization Review

Internal Audit Report SMC25AS0001

April 28, 2025



## Executive Summary

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Advanced Practice Providers (APPs) are a critical component of the healthcare workforce, encompassing roles such as Nurse Practitioners (NPs), Physician Assistants (PAs), and Clinical Nurse Specialists (CNSs). These professionals provide a wide range of medical services, including conducting physical exams, diagnosing and treating illnesses, prescribing medications, and managing patient care. APPs work both independently and in collaboration with physicians to enhance healthcare delivery and improve patient access to care. In the State of Texas, the practice of APPs is governed by state regulations designed to ensure patient safety and high-quality care. These regulations define the scope of practice, supervision requirements, prescriptive authority, and credentialing standards for APPs. Compliance with these regulations is crucial for maintaining professional standards and avoiding non-compliance.

An audit of APP utilization can help determine the following:

- Whether APPs operate at the top of their license to maximize patient care and efficiency
- Cost-effectiveness of APP services and alignment with patient needs
- Impact on reimbursement and revenue cycles
- Compliance with state and federal regulations to mitigate legal and financial risks
- Integration of APPs into patient care teams to enhance service quality
- Effectiveness of APP deployment in meeting healthcare demands

## Engagement Results

The Office of Institutional Compliance & Audit Services (OICAS) conducted a review of APP utilization to review the oversight and monitoring of practices currently in place and designed to maximize APP utilization and patient throughput / revenue maximization across UT Southwestern. Additionally, the review was conducted to evaluate the design of the clinical model (e.g., visits, documentation practices, scope of practice, etc.) to identify if APPs are practicing efficiently. Overall, we recognized multiple strengths for the processes reviewed, including an established APP and Physician Collaboration Project within Internal Medicine and the use of an APP Scorecard for leaders to monitor APP performance. However, there are several opportunities for improvement to ensure that APPs are being utilized more effectively and efficiently.



A summary of observations is outlined below:

AREA	OPPORTUNITIES	RISK RATING
<i>Patient Assignments in Primary Care Services</i>	<ul style="list-style-type: none"> <li>Criteria Used for Patient Assignments and Scheduling</li> <li>Marketing and Promotion of APP Services</li> </ul>	LOW
<i>Productivity Model &amp; Metrics</i>	<ul style="list-style-type: none"> <li>Clinical / Quality Metrics and Reporting</li> <li>Incentive Programs for APPs and Physicians</li> </ul>	LOW
<i>Billing &amp; Coding Feedback</i>	<ul style="list-style-type: none"> <li>Feedback and Refreshers</li> </ul>	LOW

Further details are outlined in the Detailed Observations section. Less significant issues were communicated to management.

#### Management Summary Response

Management agrees with the observations and recommendations and has developed action plans to be implemented on or before September 30, 2025.

Appendix A outlines the objectives, scope, methodology, stakeholder list, and audit team for the engagement.

Appendix B outlines the Risk Rating Classifications and Definitions.

The courtesy and cooperation extended by the personnel in the APP Office and in-scope clinical departments are appreciated.

*Natalie A. Ramello*

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Vice President, Chief Institutional Compliance Officer & Interim Chief Audit Executive  
Office of Institutional Compliance & Audit Services  
April 28, 2025

## DETAILED OBSERVATIONS

### 1. Patient Assignments in Primary Care Services

*Primary Care employs various models for utilization of APPs. For example, some assignments have a team-based oversight model where the physician is the PCP, and the APPs are utilized for follow-ups and same-day / urgent care visits, whereas other sites allow for APPs to have their own patients and schedule (referred to as “panel”) as the PCP.*

LOW

1.1 Criteria Used for Patient Assignments & Scheduling	Recommendations	Management Action Plans
<p>The current process for scheduling patient visits for physicians and APPs does not use criteria to optimize APP slot utilization, which would improve patient access.</p> <p>There are opportunities to align the APP Office with each primary care practice to ensure consideration of specific clinic needs and models for APP utilization. For example, the Primary Care Regional Campus does not have a representative from the APP Office supporting them nor does it have an APP practice lead.</p>	<p>Develop a formalized decision tree, algorithm, or guidelines for each practice location on how patients are scheduled. This should include details of when patients are to see the physician versus the APP depending on availability, visit types, and acuity / complexity levels.</p> <p>Determine feasibility of a process that includes assigning an acuity and / or complexity level to patients to help guide frequency of visits. Considerations should include complexities with chronic conditions, medication management, etc. to establish scheduling guidelines.</p> <p>Explore strategies of having automatic follow-up cadence for scheduling purposes (e.g., patient to be seen by physician then APP in 1:2 ratio every 3-4 months, etc.).</p>	<p>Action Plan Owner: Christopher Roe</p> <p>Action Plan Executives: Christopher Roe Dr. Nisa Kubiliun Renuka Sundaresan</p> <p>Due Date: 06/30/2025</p> <p>Management will:</p> <ol style="list-style-type: none"> <li>1. Partner with service line leadership and location medical directors to develop a plan on how patients are scheduled and paneled. This will include developing a target number of patients in the APP’s panel, where applicable.</li> <li>2. Provide guidance, based on best practices and regulatory requirements for cadence of encounters for specific</li> </ol>

		<p><i>chronic diseases, as identified by CMO and medical leadership.</i></p> <p>3. <i>Hire / onboard an APP Asst. Director for Primary Care Service Line and Ambulatory Internal Medicine who will provide support for APP initiatives.</i></p>
1.2 Marketing & Promotion of APP Services	Recommendations	Management Action Plans
<p>UT Southwestern does not use scripting to market APPs to patients, to ensure that patients are aware of their ability to see an APP for both new and return visits.</p>	<p>Develop marketing materials (e.g., informational flyers, MyChart messaging, etc.) for internal use to help promote the use of APPs inclusive of the role of team-based care.</p> <p>Physicians could promote APP utilization during face-to-face care discussions with patients to ensure there is understanding of the option of APPs being a care provider. Scripting can also be used to help physicians navigate these discussions with patients.</p>	<p>Action Plan Owner: Christopher Roe</p> <p>Action Plan Executives: Christopher Roe Dr. Nisa Kubiliun Renuka Sundaresan</p> <p>Due Date: 06/30/2025</p> <p><i>Management will convene a workgroup of key stakeholders to review and update marketing and scripting material developed in 2021 by the AOC's APP Utilization Workgroup. This will include engagement with marketing to approve materials and develop innovative strategies for implementation.</i></p>

## 2. Productivity Model & Metrics

*The current shared oversight model for APPs primarily emphasizes productivity metrics rather than clinical or quality outcomes. There is also an opportunity to align the performance incentive programs for APPs and physicians, particularly in settings that utilize a collaborative team-based approach.*

### LOW

2.1 Clinical / Quality Metrics & Reporting	Recommendations	Management Action Plan
<p>There is a limited ability to evaluate APPs to outcomes due to the current shared oversight model. The majority of reporting and dashboards are specific to productivity metrics (e.g., slot utilization, wRVU, billed charges, etc.) and not clinical or quality outcomes.</p> <p>Additionally, there is wide variability in the practice model for the APP practice. While it is acknowledged that each service has distinct differences that impact the model, there is not a forum for sharing best practices and opportunities for improving productivity and clinical outcomes.</p>	<p>Management should:</p> <ul style="list-style-type: none"> <li>Consider implementing quality performance reporting and/or dashboards for clinical outcomes to share with APPs and leadership. The reports can also be team-based for care teams of physicians and APPs over patient outcomes.</li> <li>Consider establishing an interdisciplinary workgroup to share best practices and determine how to optimize the model of care across the various divisions and services.</li> </ul>	<p>Action Plan Owner: Christopher Roe</p> <p>Action Plan Executives: Christopher Roe Dr. Nisa Kubiliun Dr. Craig Glazer</p> <p>Due Date: 09/30/2025</p> <p><i>APP Incentive Plan Steering committee will be tasked with the following tasks:</i></p> <ol style="list-style-type: none"> <li><i>Review existing quality dashboards that align with health system operating plan goals to ensure APP data capture (either directly or indirectly) and identify reporting gaps and make proposals for new dashboards to present to CMOs. The goal will be for dashboard data to align with health system operational goals and APP incentive plans.</i></li> <li><i>Create two workgroups: one for ambulatory services, one for hospital</i></li> </ol>

		<p><i>services. Workgroups should include physicians and APP leaders who have developed and implemented successful tactics for team-based care that have improved quality, access, and/safety. Themes will be captured from each group.</i></p> <p>3. <i>The Office of APPs will conduct an analysis of existing programs to identify those who would benefit from the implementation of the curated best-practices.</i></p>
2.2 Incentive Programs for APPs & Physicians	Recommendations	Management Action Plan
<p>The incentive programs for APPs and physicians are independent of each other and there is an opportunity to align the incentive metrics, especially in areas where there is a shared team-based oversight model between physicians and APPs.</p> <p>It is important to note that there are discussions underway with the Department of Internal Medicine to design incentive models that bring alignment between physician and APP incentive metrics.</p>	<p>Once the Department of Internal Medicine has revised the design of their incentive models, consider expanding this incentive model across all departments and divisions to align the incentive programs for physicians and APPs within the annual review process.</p> <p>Management should review options for development of incentive metrics based on outcomes of care teams of physician and APP teams.</p>	<p>Action Plan Owner: Christopher Roe</p> <p>Action Plan Executives: Dr. Seth Toomay Christopher Roe</p> <p>Due Date: 09/30/2025</p> <ol style="list-style-type: none"> <li>1. <i>APP Incentive Plan Steering Committee will conduct an analysis of the Faculty and APP plans. Areas for alignment will be incorporated into the APP plan.</i></li> <li>2. <i>Prior to the start of FY26, the steering committee will re-evaluate the existing incentive plan program and make proposals for changes. The new plan</i></li> </ol>

		<i>should have alignment with the physician plan, where possible, and easily translated with the health system operating plan goals.</i>
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### 3. Billing and Coding Feedback

*Billing and coding feedback is not provided regularly to providers. Training is currently provided during onboarding, with subsequent provision of feedback and refresher training based on trends of documentation errors or at the request of leadership / departments.*

**LOW**

3.1 Feedback and Refreshers	Recommendations	Management Action Plan
<p>Although billing and coding was out of scope for this review, opportunities were noted to provide routine billing and coding feedback (e.g., routine updates on leading practices, coding opportunities, etc.) to APPs (and physicians) in patient care departments. In the current state, training is provided during onboarding and then as trends of documentation errors are identified or upon leadership / department request.</p> <p>Unless requested by the department, there is no routine cadence of proactively providing individuals with education on their specific billing and coding opportunities, trends, and/or any new changes in policy or industry.</p>	<p>Coordinate with the APP Office and Revenue Integrity teams to establish a reporting cadence to provide routine and trended feedback regarding clinical documentation and identify educational opportunities to all departments (inclusive of APPs) for coding and billing practices specific to individuals, departments as a whole, leading practices, and any update(s) to new or underutilized codes.</p>	<p>Action Plan Owner: Christopher Roe</p> <p>Action Plan Executive: Christopher Roe</p> <p>Due Date: 06/30/2025</p> <p><i>The Office of APPs, in collaboration with Revenue Integrity, will:</i></p> <ol style="list-style-type: none"> <li><i>Develop and implement communication and teaching plans for identified educational opportunities</i></li> <li><i>Identify the cadence for evaluation of APP documentation and billing. In partnership with revenue integrity, determine what gaps and opportunities are identified to improve APP compliance and performance.</i></li> </ol>



## **Appendix A**

### **Objectives, Scope, and Methodology**

The objective of the engagement is to review the current oversight and monitoring practices implemented to optimize APP utilization, enhance patient throughput, and maximize revenue across UT Southwestern. Additionally, evaluate the design of the clinical model (e.g., visits, documentation practices, scope of practice, etc.) to identify if APPs are practicing efficiently.

The audit scope period included activities from 01/01/2024 to 12/31/2024. The in-scope departments for the review included Adult Specialties (Internal Medicine - Pulmonary and Critical Care, Cancer Center - Bone Marrow Transplant, and Primary Care) and Pediatric Specialties (Otolaryngology and Neonatal / Perinatal (including ambulatory Thrive Clinic)). The review did not include Certified Registered Nurse Anesthetist (CRNA) nor the accuracy of APP coding and billing services. Fieldwork was conducted between October 2024 and January 2025.

Our procedures included, but were not limited to, the following:

- Interviewed key personnel and reviewed relevant organizational policies.
- Obtained an understanding of overall clinical structure, inclusive of roles and responsibilities of APPs by in-scope departments, and evaluated oversight, reporting, performance monitoring, and scope of practice of each in-scope department.
- Analyzed data within the APP Scorecard for productivity metrics.

We conducted our examination according to guidelines set forth by the Institute of Internal Auditors' Global Internal Audit Standards™.

### **Executive Sponsor:**

Susan Hernandez, D.N.P., Vice President, Chief Nursing Executive

### **Key Stakeholders:**

Lina Chalak, M.D., Professor and Division Chief, Neonatal / Perinatal  
 Suzanne Conzen, M.D., Professor and Division Chief, Cancer Center - Bone Marrow Transplant  
 Toni Eby, Associate Vice President and Chief Operating Officer, Ambulatory Services  
 Craig Glazer, M.D., Associate Vice President and Chief Medical Officer, University Hospitals  
 David Haggard, D.N.P., Assistant Director, Advanced Practice Providers  
 Hicham Ibrahim, Vice President and Senior Executive Officer, Ambulatory Services  
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Kim Nguyen-Ruxton, Assistant Director, Advanced Practice Providers  
Christopher Roe, D.N.P., Director, Advanced Practice Providers  
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Renuka Sundaresan, Associate Vice President, Primary Care Services Administration  
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## **Appendix B**

### **Risk Classifications & Definitions**

Each observation has been assigned a risk rating according to the perceived degree of risk that exists based upon the identified deficiency combined with the subsequent priority of action to be undertaken by management. The following chart is intended to provide information with respect to the applicable definitions, color-coded depictions, and terms utilized as part of our risk ranking process:

<b>Degree of Risk &amp; Priority of Action</b>	
<b>Priority</b>	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 UT Southwestern or the UT System as a whole.
<b>High</b>	A finding identified by Internal Audit that is considered to have a high probability of adverse effects to UT Southwestern either as a whole or to a significant college / school / unit level. As such, immediate action is required by management to address the noted concern and reduce risks to the organization.
<b>Medium</b>	A finding identified by Internal Audit that is considered to have a medium probability of adverse effects to UT Southwestern either as a whole or to a college / school / unit level. As such, action is needed by management to address the noted concern and reduce the risk to a more desirable level.
<b>Low</b>	A finding identified by Internal Audit that is considered to have minimal probability of adverse effects to UT Southwestern 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.

It is important to note that considerable professional judgment is required in determining the overall ratings. 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 on these risks and controls in ways that this report did not and cannot anticipate.