**Appendix B**

**Model Operations Manual for UT Hospitals**

**Overview:** The Chief Administrative Officer of each UT Hospital will have a business operations manual delineating procedures for the topics listed below. UT System policies and/or institutional policies and procedures intended to implement UT System policies must serve as the basis for items included within the UT Hospital operations manual, and be specifically referenced where applicable. The Chief Administrative Officer will submit the manual and annual revisions for review upon request to the Executive Vice Chancellor for Academic or Health Affairs, as applicable.

**Business Office Operations**

* Accounting procedures
  + Segregation of duties
  + Compliance hotline, whistleblower protections
  + Use of NACUBO and UT System accounting standards
  + Contracts and grants management (other than insurance and managed care)
  + IT/Accounting system user access and controls
  + Use of spreadsheets and document retention
  + Cash management (including banking)
  + Internal expenditure control
  + Purchasing and accounts payable
  + Payroll and benefits accounting, if applicable
  + Journal entries, authorizations
  + Recording net patient revenue and the interface with the billing system
  + Accounts receivable and bad debt expense
  + Financial reporting
    - Schedule and distribution
  + Asset and inventory control and management
  + Reimbursement requests and required documentation
    - Travel and entertainment
    - Professional development
* Budget procedures
* Contracting procedures
* Purchasing
* Personnel policies and procedures, if applicable
* Calculating the uncompensated cost of care for the uninsured and underinsured
* External reports: cost reports, annual hospital surveys

**Revenue Cycle Operations**

* Confidentiality, HIPAA
* Overview of health information technology: patient financial system, interfaces with EHR/EMR, accounting system
* Staff training and feedback
* Professional behavior/customer service standards
  + Communications with patients
  + Communications with physicians
* Chargemaster administration
  + Hospital fee schedules
* Clinical trials billing
* Patient-friendly billing
* Managed care contracting
* Management reports and key performance indicators: definitions, schedule and distribution
* Quality assurance
* Patient registration
* Financial evaluation
* Financial assistance policies and procedures
* Verifying coverage
* Preauthorization, precertification, medical necessity
* Scheduling
* Charge capture
* Medical records documentation
* Coding
* Billing compliance
* Clean claim definition
* Electronic transmission of claims
* Accounts receivable management, to include filing appropriate documents to perfect valid hospital liens
* Recording/posting EOBs, payments, denials
* Refund procedures
* Denials management
  + Appeals and resubmissions, responding to medical records requests
  + Feedback loop to improve initial claims submissions
* Collections
  + Collection agencies
  + Uncollectible accounts
  + Referral of matters to the Office of General Counsel (OGC) in compliance with OGC Guidelines for Referral

**Compliance**

* General statement “The hospital will comply with federal, state, and local laws and regulations.”
* Governing code of ethics
* Conflict of interest policies and statements
* Whistleblower policy, compliance hotline
* Medical billing compliance program
* Document retention policy
* Risk management