

# **UT Southwestern** Medical Center

## **Revenue Cycle: Patient Registration and Authorization Audit**

**Internal Audit Report 21:09**

**March 16, 2021**

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## **Executive Summary**

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### **Background**

UT Southwestern Medical Center (UT Southwestern) provides patient services at William P. Clements Jr. University Hospital and Zale Lipshy Pavilion as well as outpatient clinics across campus and at off-site locations in the Dallas metro area. During calendar year 2020 through February 2021, there were 211K completed clinical office and outpatient ambulatory visits, 10K Telehealth visits and approximately 64K scheduled surgical procedures.

The scheduling, authorization and check-in processes are performed by the centralized Revenue Cycle Patient Access Services function and also performed by some clinical departments. Hospital, clinic and department leadership is responsible for the execution of these processes based upon reporting structures. The Patient Access Services function consists of the Director of Patient Financial Clearance and Hospital Access Services, two Assistant Directors, nine Managers and approximately 350 Supervisors and staff members.

Patient appointments are made through a central scheduling function or directly with individual clinics. Hospital-based surgery appointments are scheduled by the operating room (OR) scheduling team. Existing patients may request an appointment through UT Southwestern MyChart, an Epic module online health management tool that is used for patient appointments, communications with physicians and clinic personnel. MyChart also provides test results and other health record information. Epic provides other modules used for patient registration, authorization and patient check-in processes. During the last 13 months, approximately 281K appointments were scheduled via MyChart.

Patient Financial Clearance or individual department clinic personnel verify insurance eligibility and benefits with government or insurance payors and obtain authorizations once appointments are scheduled. Patient Access Services are responsible for calculating patient co-pays and out of pocket payments based on insurance coverage. Financial Advisors are responsible for communicating patient out of pocket payments prior to the appointment date. The patient appointment check-in process requires patients to provide photo identification, insurance card(s), sign consent documents and make copayments. Contactless guidelines such as pre-screening questionnaires and consents have been implemented to lower the risk of COVID exposure to patients and staff.

### **Scope and Objectives**

The Office of Internal Audit Services has completed its Revenue Cycle: Patient Registration and Authorization audit. This was a risk-based audit and part of the fiscal year (FY) 2021 Audit Plan. The audit scope period included patient activities during September 2019 through February 2021 at the hospitals, hospital-based clinics, imaging, and centralized ambulatory clinics. The review included assessing the adequacy and effectiveness of processes, oversight and monitoring controls for authorizations and eligibility, evaluation of insurance verification, authorization and check-in process processes and retention of patient check-in documents.

## Executive Summary

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Specifically, to determine whether:

- Accurate and complete patient scheduling is occurring
- Required payor authorization forms are being obtained
- There is effective communication of patients' out-of-pocket financial responsibility
- Appropriate patient forms are signed and retained
- Adequate monitoring processes are occurring

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 patient registration and authorization are well designed. Opportunities for improvement include ensuring appropriate authorizations are obtained for outpatient imaging appointments scheduled on same day as when they are ordered. While same day appointments may be necessary to receive patient diagnostic services it may not provide sufficient time to obtain appropriate authorizations and communicate financial responsibility to the patient. Further, there is increased risk denial of services or non-reimbursement for services resulting in financial loss, increased patients' out of pocket obligations and dissatisfaction. Opportunities also exist to improve consistency of procedures for obtaining patients' identification and insurance cards for patient appointments. Patient Access Services and Ambulatory Operations, which oversee hospital and ambulatory clinic processes have coordinated with Information Resources and recently implemented an automated process to prompt front desk employees to obtain the necessary photo identification documents.

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. There were no priority or high rated issues identified in the audit.

Priority (0)	High (0)	Medium (1)	Low (2)	Total (3)
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## Executive Summary

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Key observations are listed below.

- **#1 Reinforce Check-In Procedures** – Check-in procedures were not consistently followed for surgery procedures, imaging services, clinical visits, and video visits.
- **#2 Enhance the Process for Same Day Imaging Appointments to Allow for Obtaining Authorization** – Before same day imaging services are rendered, there is the risk of insurance denials and increased patient financial responsibility if insurance authorizations are not obtained.
- **#3 Evaluate Automation of Financial Counseling Flagging** – The insurance verification team is responsible for manually flagging patient accounts for financial counseling review so financial obligations are communicated to patients before appointment date. Patient accounts were not consistently flagged or were flagged unnecessarily. When accounts are not properly flagged, communications may not be made to patients resulting in unexpected out of pocket financial obligations leading to patient dissatisfaction.

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

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## Executive Summary

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## Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Medium ●</b></p> <p><b>1. Reinforce Check-In Procedures</b></p> <p>Patient check-in procedures are not consistently followed for surgery procedures, imaging services, clinical visits, and Telehealth visits. Based on random sample testing:</p> <ul style="list-style-type: none"> <li>• The admitting or check-in employees do not consistently obtain insurance cards to ensure confirmation of patient insurance coverage.</li> <li>• Photo identification cards are not consistently obtained or patients had an expired identification card on file.</li> </ul> <p>Due to the COVID-19 pandemic, there was an increased need for contactless check-in procedures which contributed to employees not consistently obtaining insurance cards and photo identification cards increasing the risk for providing services to patients without valid insurance coverage and increased insurance eligibility and authorization denials.</p> <p>In addition, ambulatory policy “AMB 7.02 Consent for Treatment &amp; Informed Consent for Treatment and Procedures” does not reflect the requirement of obtaining consent for treatment every 12 months as is the current practice.</p>	<ol style="list-style-type: none"> <li>1. Revenue Cycle and Ambulatory Operations coordinate to develop control checkpoints ensuring that patient identification and insurance cards are obtained at check-in.</li> <li>2. Provide refresher training on the importance for obtaining key registration forms.</li> <li>3. Update the Ambulatory Policy to ensure practice and requirements align.</li> </ol>	<p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>1. A. In coordination with Information Resources a change in the Patient ID workflow was implemented. The change took effect in January 2021 and will assist in ensuring patient identification is obtained.</li> <li>1. B. We will coordinate a similar workflow for the insurance cards leveraging data in EPIC. The service now ticket has been placed.</li> </ol> <p><b><u>Action Plan Owner(s):</u></b></p> <p>A. &amp; B. Director Patient Financial Clearance &amp; Hospital Access Services, UH Patient Financial Services</p> <p>Director, Ambulatory Business Services, Ambulatory Services</p> <p><b><u>Target Completion Date(s):</u></b></p> <p>A. Completed</p> <p>B. June 30, 2021</p>

## Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
		<p><b><u>Management Action Plan:</u></b></p> <p>2. We will communicate updates across the hospital-based and ambulatory clinics and create a Tip Sheet</p> <p><b><u>Action Plan Owner(s):</u></b></p> <p>Director Patient Financial Clearance &amp; Hospital Access Services, UH Patient Financial Services</p> <p>Director, Ambulatory Business Services, Ambulatory Services</p> <p><b><u>Target Completion Date(s):</u></b></p> <p>June 30, 2021</p> <p><b><u>Management Action Plan:</u></b></p> <p>3. We will update the policy to reflect the practice and include the reference for the Telehealth visits as well.</p> <p><b><u>Action Plan Owner(s):</u></b></p> <p>Director, Ambulatory Business Services, Ambulatory Services</p> <p><b><u>Target Completion Date(s):</u></b></p> <p>April 15, 2021 to draft the updates. June 1, 2021 to route for approvals.</p>



## Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Low ●</b></p> <p><b>2. Enhance the Process for Same Day Imaging Appointments to allow for Obtaining Authorization</b></p> <p>Before same day imaging services are rendered, there is the risk of insurance denials and increased patient financial responsibility if insurance authorizations are not obtained. A procedure is in place to allow for at least two hours between scheduling and the appointment to obtain authorizations; however, the procedure is not consistently followed.</p> <p>Currently, same day imaging appointments can be scheduled by multiple groups, which contributes to increased volume, increased risk of inadequate time for employees to complete insurance verification resulting in denials and revenue loss.</p> <p>High volume locations do not consistently have dedicated resources to assist in meeting patient care while also obtaining necessary insurance authorizations before services are rendered.</p>	<ol style="list-style-type: none"> <li>1. Coordinate with locations that have higher volume of same day appointments to ensure adequate resources for scheduling patient appointments to receive services and appropriate procedures can be followed for authorizations of services and communications of patient financial responsibility, if applicable.</li> <li>2. Reinforce the same day imaging appointment requirements across the central scheduling team and reeducate ambulatory clinic employees. This includes developing and requiring applicable training on the procedures.</li> </ol>	<p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>1. We are developing 2 new workflows to address the need for expedited same-day insurance authorization and patient financial communication: 1) Engaging Breast Imaging leadership and staff to identify an internal clinic resource to submit authorization requests for patients in-clinic who are subsequently scheduled for an additional same-day appointment.</li> </ol> <p>We already staff the resource in clinic to communicate estimated patient financial responsibility. And 2) Adding a team member to our newly created Imaging Pre-Check-In Team to support same-day authorization requests and patient financial education for other Imaging locations..</p> <p><b><u>Action Plan Owner:</u></b></p> <p>Director Patient Financial Clearance &amp; Hospital Access Services, UH Patient Financial Services</p> <p><b><u>Target Completion Date:</u></b></p> <p>July 31, 2021</p>

**Detailed Observations and Action Plans Matrix**

Observation	Recommendation	Management Response
		<p><b><u>Management Action Plan:</u></b></p> <p>2. We are preparing a plan to reinforce behavior within the central scheduling team and the ambulatory clinics schedulers regarding the time for same day appointments.</p> <p><b><u>Action Plan Owner:</u></b></p> <p>Director Patient Financial Clearance &amp; Hospital Access Services, UH Patient Financial Services</p> <p>Director, Ambulatory Business Services, Ambulatory Services</p> <p><b><u>Target Completion Date:</u></b></p> <p>July 31, 2021</p>

## Detailed Observations and Action Plans Matrix

Observation	Recommendation	Management Response
<p><b>Risk Rating: Low</b> ●</p> <p><b>3. Evaluate Automation of Financial Counseling Flagging</b></p> <p>The insurance verification team manually flags patient accounts for financial counseling review and communications to patients. The accounts are flagged based on benefits coverage and out of pocket estimates. The audit identified patient accounts that were not consistently flagged or were flagged unnecessarily. Without properly flagging the accounts, communications of out of pocket cost would not be made to patients increasing the risk of patients having unexpected financial obligations leading to patient dissatisfaction.</p>	<ol style="list-style-type: none"> <li>1. Evaluate the option of automating flags for patient accounts to be routed for financial counseling based on predefined criteria.</li> <li>2. Based on the evaluation performed, update procedures to ensure appropriate workflow is in place.</li> </ol>	<p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>1. We have opened a ticket and will coordinate with Information Resources to evaluate options for automating some of the patient estimate flags.</li> </ol> <p><b><u>Action Plan Owner:</u></b>            Director, Patient Financial Clearance &amp; Hospital Access Services, UH Patient Financial Services            Director, Revenue Cycle and Business Systems</p> <p><b><u>Target Completion Date(s):</u></b>            April 30, 2021</p> <p><b><u>Management Action Plan:</u></b></p> <ol style="list-style-type: none"> <li>2. A. We will meet with IR to discuss automation options for predetermined criteria. Based on the outcome of the meeting, we will determine and implement next steps.</li> <li>2. B. We will update procedures and workflow accordingly.</li> </ol> <p><b><u>Action Plan Owner(s):</u></b>            Director, Patient Financial Clearance &amp; Hospital Access Services, UH Patient Financial Services            Director, Revenue Cycle and Business Systems</p> <p><b><u>Target Completion Date(s):</u></b>            A. July 1, 2021            B. July 31, 2021</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>	<b>Degree of Risk and 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 a UT institution 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 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.
	<b>Medium</b>	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.
	<b>Low</b>	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.

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 – Same Day Imaging Appointments

Same Day Outpatient Imaging Appointments:

