Analytics: Enhancing Your Hospital Compliance Program

Kate Conklin, B.A., CPMSM, CPHQ, Chief Compliance Officer
Trissi Gray, MBA, CHRC, Assistant Director, Health System Compliance

Today’s Session

Objective 1:
Transitioning from a manual to an automated auditing/monitoring process.

Objective 2:
Managing claims at risk through algorithms and analytics.

Objective 3:
Understanding the role that the enterprise plays in compliance.
Polling Question: What is Your Role in Compliance?

A. Compliance Officer
B. Legal Counsel
C. Compliance Administrator/Specialist
D. Billing/Coding Compliance
E. Other

Compliance: Roles and Responsibilities

<table>
<thead>
<tr>
<th>Written Standards and Procedures</th>
<th>High-level Governance</th>
<th>Education and Training</th>
<th>Open Lines of Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written standards and a Code of Conduct that articulates the organization's commitment to compliance by senior executives, employees, and healthcare professionals.</td>
<td>A compliance department that has a clear, well-crafted mission that is carried out by a team of compliance professionals. Compliance Officer is viewed as a trusted member of the team and is supported by an active and engaged institutional compliance committee.</td>
<td>Education and training resources are in place to effectively conduct training and education in a manner which ensures that everyone that functions on behalf of the system is capable of executing their role in compliance with all applicable regulations.</td>
<td>Employees have the ability and mechanism to anonymously report concerns regarding non-compliance and misconduct. Organization in return has the appropriate mechanisms in place to identify, investigate, respond to, and report potential compliance issues.</td>
</tr>
</tbody>
</table>
Roles and Responsibilities (continued)

**Auditing and Monitoring**
Periodic monitoring and auditing of the organization's adherence with regulatory guidelines and written standards.

**Enforcement and Discipline**
Disciplinary principles are defined with appropriate consequences for individuals who violate the law, regulations, or institutional policies. The organization has processes in place to promptly respond, investigate, and document instances of noncompliance.

**Response and Prevention**
Processes are in place to respond to actual or potential violations of the law.

**Risk Assessment**
A risk assessment is conducted to identify areas of legal/regulatory compliance attributed risk.

---

Optimizing Resources: Program Maturity

**Initial**
Ad hoc; chaotic

**Basic**
Reaction to adverse events

**Defined**
Defined policies and procedures

**Operational**
Proactive collaborative response to events

**Advanced**
Compliance is everybody's business
Polling Question: Organization Compliance Program Maturity

Compliance Program:
A. Ad Hoc
B. Fragmented
C. Defined
D. Operational
E. Advanced

Compliance Program Infrastructure
Program Responsibility: Health System Compliance

Compliance program monitoring and advisory engagement includes:

- **Focused Operational & Billing/Documentation Reviews**
  (Ambulatory Services, University Hospitals, Hospital-Based Clinics)

- **Billing Compliance**
  risk-based auditing of Faculty Practice (~2300 providers)

- **Clinical Research Billing**

- **UTACN**
  (Accountable Care Organization)

- **SWHR**
  (joint partnership with Texas Health Resources)

Compliance: Auditing and Monitoring

Element of an effective compliance program is to conduct periodic auditing and monitoring of the organization's adherence with regulatory guidance and established written standards.

Audit and Review Types:

- **Baseline** • High level review
- **Probe** • Determine whether a compliance issue exists
- **Routine** • Evaluate ongoing compliance
- **Expanded** • Enlarge sample based on error rates identified during a routine audit
- **Focused** • For cause review
Risk Identification: Organizational Strategic Initiatives

Auditing and Monitoring: Compliance Risk Areas

- Inpatient Rehabilitation Facility
- Cochlear Implants: Recalls
- Bariatric Surgery
- Overlapping Surgeries
- High Dollar Chemotherapy Drugs
- Sleep Testing
- Major Joint Replacements: Hip and Knee
- Hyperbaric Oxygen Therapy and Skin Substitutes
- Short Stays: 2 Midnight Rule
Polling Question: Does your facility use analytical software to conduct compliance reviews/audits?

A. Yes
B. No

Compliance Monitoring: Manual Process

- Identifying most recent claims
- Risk universe
- Gross charges vs. net charges
- Claim reports (4 systems) prior to centralization
- Manual Spreadsheet
- Reporting
- Audit Retention
New Age Compliance: Using Analytics to Identify and Audit Risk

- Standardized solution for inpatient and outpatient data, that utilizes claims data (835/837s)
- Daily evaluation of compliance-attributed risk and coding outliers
- Leverage Medicare and Medicaid audit rules as well as, MEDPAR and PEPPER benchmarks.
- Data mining and proactively identify compliance risk
- Robust workflow to manage deadlines, additional documentation requests and external audit request.

Identifying Risk: Using Analytics
Using Analytics: Risk-Based Auditing
Reporting: Compliance Dashboards

System Dashboard Users:
- UH Leadership (CFO, COO)
- Compliance
- Internal Audit
- Utilization Review
- Decision Support
- Revenue Integrity
- Denials
- Coding and CDI
- Revenue Cycle Operations

Reporting: External Audit Dashboards

Audit Dashboard (Updated)
Audit Letter Date: Last 12 Months

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total</th>
<th>Changes</th>
<th>Original</th>
<th>Total</th>
<th>Level 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Appeals</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amt Appealed</td>
<td>0.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Amt Appealed</td>
<td>1.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amt Successfully Appeared</td>
<td>2,911</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Success Rate</td>
<td>99.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amt Denied</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Length of Appeal</td>
<td>72.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Audit Analysis Complete:

<table>
<thead>
<tr>
<th>Audit Type and Stage</th>
<th>Count</th>
<th>Total Changes</th>
<th>Original Fees</th>
<th>Total Amt at Risk in</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Analysis Issues</td>
<td>4</td>
<td>4,118</td>
<td>1,971</td>
<td></td>
</tr>
<tr>
<td>Other Medical Records Review</td>
<td>40</td>
<td>306,103</td>
<td>336,794</td>
<td></td>
</tr>
<tr>
<td>RAC Actual</td>
<td>1</td>
<td>11,271</td>
<td>2,399</td>
<td></td>
</tr>
<tr>
<td>RAC Complete</td>
<td>30</td>
<td>1,390,759</td>
<td>126,341</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>639,072</td>
<td>399,021</td>
<td></td>
</tr>
</tbody>
</table>

Audit Volume Trends:

Audit Letter Status:
Stakeholder Engagement: Advocating Change

Each day our patients, students, and the public count on us to deliver the very best in patient care, state-of-the-art research, and outstanding medical education. As a University, we strive to meet and exceed these goals. By fostering a culture of compliance with established policies and standards, we reassure the community of our commitment to adhering to all applicable laws, rules, and policies.

Daniel K. Podolsky, M.D.
President, UT Southwestern Medical Center

Source: UT Southwestern Medical Center, Standards of Conduct (2013)
Rules of Engagement: Executive Trust

- Finding ways to connect with the CEO, CFO, COO and CNO
  - Tone at the Top: Culture of Ethics and Compliance
  - Executive Leadership Team Compliance Rounding
  - Executive Leadership Team- Dedicated Quarterly Meetings for Compliance
  - Meaningful Data: Compliance Dashboards, Real-time Auditing and Monitoring

- Compliance - Valued Addition to Operations
  - Accreditation and Patient Safety
  - Revenue Cycle Operations (HB and PB)
  - Clinical Research
  - Hospital and Ambulatory Services-Operations

Compliance: The Change Agent
Understanding the Marriage: Operations vs. Compliance

Culture: Embedding a “just culture mindset” is key.

Communication: clear, concise and engaging discussions regarding strategic initiatives, organizational risks (appetites) and risk mitigation.

Cross-Functional Risk-Management Approach: Eliminating silos and amplifying change agent teams to mitigate risk.


Continuous Process Improvement: Plan, Do, Study, Act
Contact Information:

Kate Conklin, B.A., CPMSM, CPHQ, Compliance Officer
kate.conklin@utsouthwestern.edu

Trissi Gray, MBA, CHRC, Assistant Director, Health System Compliance
trissi.gray@utsouthwestern.edu