

HCCA 2009 Compliance Institute
Session 607 - April 28, 2009

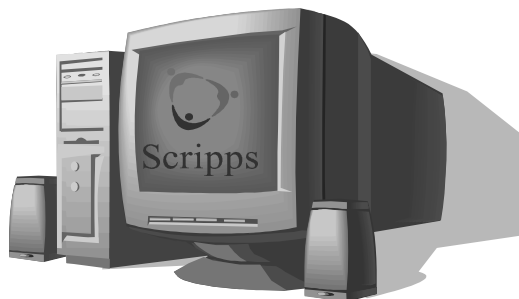
***Leveraging Available Data, Your Desktop
Software, and Other Specialized Tools for
Enhanced Compliance Program
Administration, Auditing & Monitoring***

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***“Leveraging the Use of Information
Technologies is Key to Becoming a Highly
Effective Compliance Function ”***



Today's Presentation Objectives

The Objectives for this 60 minute discussion are to:

- ▶ Share ideas on software tools and techniques that can help us become more effective in addressing the significant challenges we face everyday as Compliance Officers by better leveraging the use of technologies
- ▶ Learn from other Compliance and Auditing subject matter experts in the room
- ▶ Provide one or two ideas that each of you can take back to your organization and implement

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Leveraging the Use of Information Technologies

We plan to discuss leveraging the use of information technologies in three areas:

- Compliance Department Administration
- Organizational Compliance Program Related Activities that are Technology Driven
- Data Mining and Data Analysis for More Effective Compliance Auditing and Monitoring

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Compliance Program Administration

“We need to maximize the use of Technologies in Each of 8 Key Elements of our Compliance Programs”

1. COMPLIANCE PROGRAM GOVERNANCE
2. POLICIES & PROCEDURES
3. EDUCATION & AWARENESS
4. EFFECTIVE COMMUNICATION
5. MONITORING
6. AUDITING/RISK ASSESSMENT
7. INVESTIGATION & RESPONSE TO DETECTED OFFENSES
8. DISCIPLINARY ACTION

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Leveraging the Use of Information Technologies

(Within the Compliance Department)

Compliance Department Administration *(Examples)*

1. Compliance Issues/ Investigations Tracking Database
2. Audit Reports/Compliance Meeting Actions Follow-up Database
3. Compliance Program Education- Tracking database and/or On-line education – modules and/or tracking completion
4. On-line Subscription Services and Listserves
5. On-line web-based survey tools

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Leveraging the Use of Information Technologies (Within the Compliance Department)

Compliance Department Administration (Examples)

6. OIG-RATS-STATS Statistical Sampling Software
7. Compliance staff with user access to key compliance related information systems
8. General Compliance Metrics/ Dashboard Information for Governance
9. Contract administration for Compliance Program areas of responsibility (BAA's, Physician Contracts)
10. Compliance Auditing and Risk Assessment Knowledge Bases

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Leveraging the Use of Information Technologies (organizational)

Organizational Compliance Related Activities

(Examples):

1. Billing Claims Scrubbing Software, Pre-Claims Submission
2. Coding Department – Coding Accuracy Software Aids
3. On-line Coding Education and Proficiency Testing Tools
4. On-line Completion of Conflict of Interest Disclosures
5. Automated Annual Signing of Confidentiality Agreement linked to Performance Evaluations

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Leveraging the Use of Information Technologies (*organizational*)

Organizational Compliance Related Activities (*Examples*):

6. ABN Software
7. Laptop and USB Encryption Tools and Monitoring
8. Confidential Data Leakage Detection/ Prevention Software Tools
9. Data in Motion- Monitoring of emails, FTP, and other
10. Patient Privacy- Applications Monitoring of User Access to patient records

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Data Mining and Data Analysis for More Effective Compliance Auditing and Monitoring

- Data analytical tools can facilitate 100% review of all transactions, rather than samples.
- The number of records that can be imported and analyzed is limited only to your hardware capabilities. You can analyze over 1 million records on high end PC.
- A sophisticated data analytical program such as ACL has “built-in” commands, functions, and filtering capabilities that enable rapid insights into data and potential issues.

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Data Mining and Data Analysis *(continued)*

Data Analysis Techniques:

1. **SUMMARIZE** – to count records for each distinct value of selected character or date fields and subtotal numeric fields for each of these distinct values.
2. **STRATIFY** - to count the number of records falling into specified intervals (strata) of numeric field or expression values, as well as to subtotal one or more fields for each stratum.
3. **CROSS-TABULATE** - to analyze character fields by setting them in rows and columns. By cross-tabulating character fields, you can produce various summaries, explore areas of interest, and subtotal numeric fields.
4. **DUPS OR GAPS** – “Dups” detects whether key fields contain duplicate records AND “Gaps” detect gaps in the sequence of key fields.

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Data Mining and Data Analysis *(continued)*

Data Analysis Techniques:

5. **RELATE TABLES** – to combine data from two or more tables as if it existed in a single table. You can add fields from related tables to a view or use the Extract command to create a new table of related fields. The “Primary” table just needs additional fields.
6. **JOIN TABLES** - to combine fields from two tables into a third table. A separate table is needed requiring fields from two separate tables.
7. **EXTRACT** - to extract selected records or fields from the current table and copy them to a different table.
8. **EXPORT** – to export data to another application (spreadsheets, databases, etc.).

Other Features & Functionality of Data Analytical Tools:

1. **FILTERING**
2. **AGING**
3. **SAMPLING**
4. **FUNCTIONS**

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Valuable Sources of Compliance Related Data

Revenue Cycle Information/ Data *(with focus on government payers)*

- ▶ Medicare/Medicaid percentage of total revenue by department or service area
- ▶ Medicare QIO PEPPER Reports
- ▶ Coding accuracy statistics and trends
- ▶ Utilization reports by DRG and CPT codes and By Payor
- ▶ Physician billing - Medicare Development Letters
- ▶ Physician billing- Workload RVUs per visit

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Valuable Sources of Compliance Related Data

Revenue Cycle Information/ Data *(continued)*

- ▶ Physician billing- Frequency Distributions of CPT Utilization
- ▶ Results of reviews by Medicare or other government reviewers
- ▶ Internal or external audits reports
- ▶ Other external reviews
 - ✓ Consultants reports
 - ✓ Feasibility studies
 - ✓ Independent auditor's (CPA Firm) annual management letter

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Valuable Sources of Compliance Related Data

Other Information/ Data (*continued*)

- ▶ Quality Reporting data and metrics
- ▶ Patient Complaints volume and nature
- ▶ Patient and Employee Safety Occurrence Reporting
- ▶ Compliance Hotline calls by type, location, and substantiated vs unsubstantiated
- ▶ Patient / Physician / Employee Satisfaction Surveys
- ▶ Survey results from Joint Commission, CMS or State Regulatory Agencies

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Incorporate Data Analytics into Your Planning & Scoping Phase of All Compliance Audits & Reviews

“Example of Frequency Distribution Analysis”:

Obtain data directly from key information systems and databases.

- ▶ Facilitates efficient and effective review of 100% of transactions for time period.
- ▶ Understand key data elements of population (i.e. *Medicare Credit Balances*) to provide for accurate analysis of business area and identify items that may represent risks or vulnerabilities
- ▶ Direct system access by Compliance Department staff to the transactions Master File or Data warehouse facilitates quick and easy review of transactions.

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Incorporate Data Analytics into the Planning & Scoping Phase of All Audits & Reviews

“Example of Frequency Distribution Analysis”:

Utilize Data Analytical Techniques to Analyze and Provide Insights into 100% of Transactions

- Develop a frequency distribution of all “activity” during the period to determine the dollar “spread” of transactions in defined ranges by amount and age.
- The frequency distribution can be used to determine the level of testing and “coverage” amount for sampling as it provides a strong overview of the entire population. You can better recognize most the significant transactions and immediately focus your testing and validation efforts.

Note: *Analytical procedures can therefore be used as the basis for planning and scoping compliance reviews PRIOR TO REQUESTING SUPPORTING DOCUMENTATION FROM PROCESS OWNERS!*

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Using Frequency Distribution for Analysis

Analysis of Hospital Government Payer Credit Balances

Understanding by \$ ranges helps plan how best to prioritize correcting actions

Items older than 3 years subject to state Escheat requirements

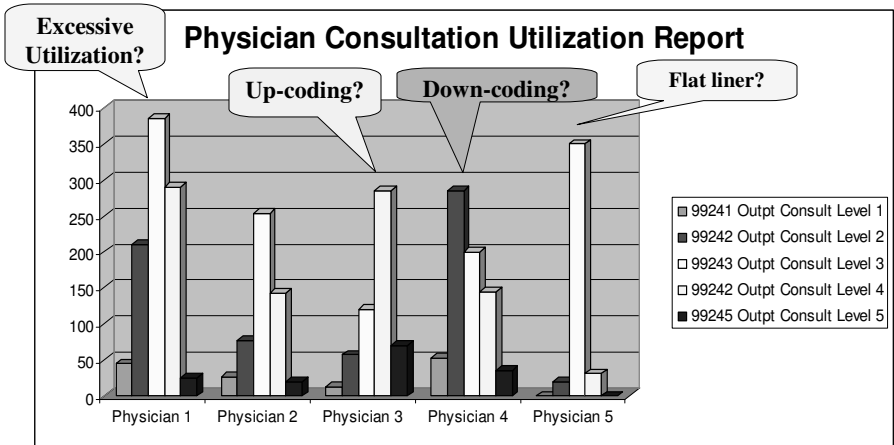
Balance Range	Cnt	% of \$	Totals	< 6 Mos	6-12 Mos	1-2 Years	2-3 Years	> 3 Years
< -49,999.99	5	13.19%	(313,065.46)	(313,065.46)	-	-	-	-
-49,999.99 -> -25,000	6	8.84%	(209,876.08)	(209,876.08)	-	-	-	-
-24,999.99 -> -10,000	22	11.98%	(284,314.18)	(250,522.58)	(33,791.60)	-	-	-
-9,999.99 -> -7,500	14	5.19%	(123,155.29)	(113,855.19)	(9,300.10)	-	-	-
-7,499.99 -> -5,000	24	6.28%	(148,917.06)	(123,329.16)	(18,364.50)	(7,223.40)	-	-
-4,999.99 -> -2,500	92	13.26%	(314,630.04)	(266,106.33)	(15,952.83)	(21,511.44)	(7,136.64)	(3,922.80)
-2,499.99 -> -1,000	231	15.43%	(366,279.20)	(263,286.29)	(42,652.29)	(32,015.99)	(22,538.27)	(5,786.36)
-999.99 -> -750	189	6.72%	(159,387.71)	(113,567.09)	(27,111.41)	(12,148.59)	(4,937.92)	(1,622.70)
-749.99 -> -500	230	5.89%	(139,804.55)	(94,469.90)	(19,146.25)	(18,011.56)	(5,635.05)	(2,541.79)
-499.99 -> -250	426	6.38%	(151,293.13)	(115,319.14)	(17,860.50)	(10,530.28)	(4,692.61)	(2,890.60)
-249.99 -> -100	599	4.09%	(96,948.79)	(69,241.10)	(16,777.20)	(7,219.40)	(1,955.36)	(1,755.73)
-99.99 -> -50	533	1.59%	(37,717.62)	(25,392.11)	(6,678.12)	(3,570.39)	(1,614.66)	(462.34)
-49.99 -> -10	1,140	1.13%	(26,803.37)	(18,690.88)	(6,896.37)	(944.93)	(92.70)	(178.49)
-9.99 -> -0.99	164	0.04%	(950.48)	(760.12)	(158.31)	(22.45)	-	(9.60)
> -0.99	33	0.00%	(9.36)	(3.74)	(2.24)	(3.38)	-	-
Total	3,708	100%	\$(2,373,152.32)	\$(1,977,485.17)	\$(214,691.72)	\$(113,201.81)	\$(48,603.21)	\$(19,170.41)

1/3 of all items are < \$50 and are only 5% of total \$ amt

(Simulated data for illustrative purposes only.)

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Using Data Analytics for Coding Compliance Analysis



CPT Code	CPT Code Description	Physician 1	Physician 2	Physician 3	Physician 4	Physician 5	Total
99241	Outpt Consult Level 1	45	27	13	53	0	138
99242	Outpt Consult Level 2	210	77	57	285	20	649
99243	Outpt Consult Level 3	385	254	120	200	350	1309
99242	Outpt Consult Level 4	290	143	285	145	31	894
99245	Outpt Consult Level 5	25	20	70	36	0	151
Grand Total		955	521	545	719	401	3141

Utilize Data Analytical Tools to Facilitate Continuous Auditing & Monitoring

Scripps Health Audit and Compliance Services (ACS) is developing a **“Continuous Auditing and Fraud Detection” Program** for Scripps Health to supplement traditional compliance and internal audit activities and to provide more timely address business risks which could have a significant impact on the organization.

Continuous Auditing is the periodic or regularly scheduled performance of various review techniques (*automated or manually performed*) designed to detect unusual activity; monitor key privacy, financial, and security controls; test compliance with regulatory requirements and identify and mitigate other business risks, before they have a significant adverse impact on the organization.

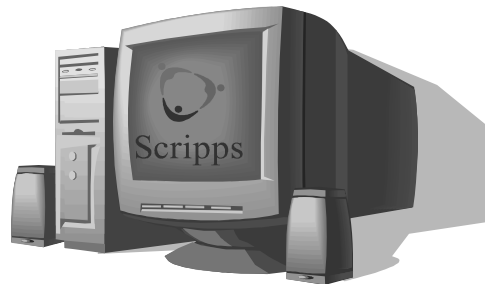
Utilize Data Analytical Tools to Facilitate Continuous Auditing & Monitoring

Examples of Continuous Compliance Auditing/ Monitoring:

- ▶ Emails with SSN's or PHI blocked by email gateway filters
- ▶ Medicare Credit Balances
- ▶ Coding Software Edits by coder/ physician/ location
- ▶ Nightly List of All Terminated Employees (*exit interviews/ retaliation*)
- ▶ Claims Scrubber Reports and metrics
- ▶ Monthly checks of OIG/GSA Exclusion Lists
- ▶ Transaction or event “alerts” based upon compliance criteria
- ▶ Routine reports from timekeeping system
- ▶ Physician Medicare Development Letters – Types and Volume

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SUMMARY COMMENTS



***“Leveraging the Use of Information
Technologies is Key to Becoming a Highly
Effective Compliance Function”***

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Further Thoughts and Ideas !



Let us know and share...

Thanks!



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