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THIRD PARTY INTERNAL CONTROLS AND ONLINE TOOL

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SESSION OVERVIEW

- Internal Controls
- Compliance
- Third Party Internal Controls Policy Online Tool
- Purpose of TPICP and Online Tool
- Reports

THIRD PARTY INTERNAL CONTROLS POLICY (TPICP)

"It is the policy of the IHS to ensure that financial operations comply with applicable laws, regulations, and Government-wide financial management requirements and standards as they relate to third-party revenue. All IHS managers will implement the systems and requirements set forth in this chapter necessary to account for and collect revenue from various sources that include, but are not limited to: Medicare, Medicaid, PI, State Children's Health Insurance Program (SCHIP), Veterans Administration (VA), non-beneficiary, and other patient revenue resources. Management at the Headquarters (HQ), AO, and SU will utilize the Third-Party Internal Controls Online Tool to report and monitor system wide compliance with this policy"

- Indian Health Manual, Part 5, Chapter 1, Section 5-1.1(C)

TPICP PURPOSE

"This chapter revises and updates the Indian Health Service (IHS) policy for recording, controlling, and accounting for patient-related resources; and for ensuring the accuracy and timeliness of receivables and revenue reporting in the IHS' financial statements. It also updates specific internal controls to safeguard and properly account for third-party related revenue and related assets, and updates the authorities for collecting debts owed to the IHS by third-party sources and non-beneficiary patients. The IHS *Revenue Operations Manual* (ROM) provides a system-wide reference resource and general implementation guide for all IHS, Tribal, and Urban (I/T/U) facilities across the United States (U.S.). Area Offices (AO) and Service Units (SU) should develop more specific guidance for their location."

- Indian Health Manual, Part 5, Chapter 1, Section 5-1.1(A)

WHAT ARE INTERNAL CONTROLS?

An Internal Control is a process for assuring an organization's objectives in operational effectiveness and efficiency, reliable reporting, and compliance with laws, regulations and policies.

Ultimately, it reduces the risk of fraud, waste and abuse.

WHAT IS COMPLIANCE?

Compliance means conforming to a rule, such as a specification, policy, standard or law.

WHAT IS THE DIFFERENCE BETWEEN COMPLIANCE AND INTERNAL CONTROL

Compliance = *function*

- The Compliance function is meant to reasonably ensure that the company is complying with all applicable laws, rules and regulations, as well as internal codes of conduct, policies and procedures.

Internal Control = *monitor*

- The Internal Audit function is designed to monitor and evaluate the company's internal control environment as to its adequacy, efficiency and effectiveness.

BENEFITS OF INTERNAL CONTROLS

- Ensures compliance with laws, rules and regulations

- Helps protect funds against fraud, waste and abuse

- Protects **YOU** – employees
    - Providing checks and balances
    - Outlining tasks and responsibilities
    - From being accused of misappropriations and errors

LACK OF INTERNAL CONTROLS

- May result in non-compliance with laws, regulations and policy and procedures
- May result in waste of funds
- May create opportunities for fraud

WHO IS RESPONSIBLE AT HEADQUARTERS

- IHS Director
- Deputy Director for Field Operations
- Chief Medical Officer
- Director of Resource Access & Partnerships
- Director of Office of Finance and Accounting
- Director of Office of Information Technology
- Chief of Health Information Management

WHO IS RESPONSIBLE AT THE AREA AND FACILITY LEVEL

- Area Directors
- Area or Service Unit Financial Management Officer
- Area Business Office Coordinator
- Area or Service Unit Information Technology Specialist or Coordinator
- Area Health Information Management Consultant
- Area Chief Medical Officer

- Chief Executive Officers
- Service Unit Health Information Management Director
- Service Unit Clinical Director, Medical Director, and Chief of Staff
- Service Unit Business Office Manager
- Service Unit Business Office Staff

WHAT DOES THE POLICY COVER?

- Procedures
- Functional Financial Requirements
- Compliance – Reporting and Monitoring
- Debt Collection
- Third Party Internal Controls – Online Tool
- Records

THIRD PARTY INTERNAL CONTROLS POLICY ONLINE TOOL

TPICP ONLINE WEBSITE

[Third Party Internal Controls Policy Online Tool](#)

TPICP ONLINE TOOL REPORTING

- Two types of reporting
  - Self-Assessment
  - Corrective Action Plan

- Bi-annually
  - April: Quarters 1-2
  - October: Quarters 3-4

SELF-ASSESSMENT REPORTING

- 11 Sections
  - Facility Specific Procedures
  - IT Systems
  - Patient Registration
  - Benefits Coordination
  - Coding/Data Entry
  - Billing
  - Posting
  - Account Review and Follow-Up
  - Collections/Deposits
  - Finance
  - CEO Responsibilities

- Two step process
  - Self-Assessment/Questions
  - Approval of questions

RED FLAG ITEMS

Outpatient Number of Days Billing Backlog

Inpatient Number of Days Billing Backlog

Coding Number of Days Backlog

Posting within 72 Hours

Aging Accounts Reviewed (45 days)

Claims Mailed or Transmitted within 1 Business Day from Approval

CORRECTIVE ACTION PLANS (CAP)

Target Date
- 1 year to complete

3-Step Approval Process
- CEO
- Area Director
- HQ

Notify HQ when complete

CAP FOLLOW UP CALLS

CAP calls with each individual Areas
- Follow-up calls
- Review new report – trend deficiencies
- Strategize

OFFICE HOURS

3 – Two week segments

- 1st 2 weeks – Overview and Access
- 2nd 2 weeks – Self-Assessment Section
- 3rd 2 weeks - CAPs

ENHANCEMENTS

- Self-Assessment Question Revision
- Updated Reports

REPORTS

THIRD PARTY INTERNAL CONTROL REPORTS

5-1.5 COMPLIANCE - REPORTING AND MONITORING

Internal Control. All IHS Area Directors and CEOs must meet the general and specific internal control standards established by legislation, regulation, and policy for recording, controlling, and accounting for patient-related resources.

THIRD PARTY INTERNAL CONTROL REPORTS

The Area Director and CEO or their designees must:

- Perform verifiable periodic reviews to ensure that the general and specific internal control standards are met. <u>As appropriate, internal control reviews must be conducted in accordance with this chapter and must not be delegated to an individual who is responsible for the day-to-day activities being reviewed.</u>

THIRD PARTY INTERNAL CONTROL REPORTS

- Ensure that the reviews identified above are monitored on their predefined schedule.

- Use the data obtained from the reviews to prepare reports to monitor, assess, and improve the overall integrity of the program

MANAGEMENT REVIEWS

CREDENTIALING REVIEWS

Policy: Regular and timely credentialing and background checks must be performed for proper certifications, credentials, and experience.

This will be a manual process unless your facility has purchased software to track and monitor this process. There is not a report in RPMS for this requirement.

PATIENT REGISTRATION REVIEWS

Dept	Report	Frequency	Policy	RPMS	Manual
Patient Registration	Data Verification	Weekly	Third-party eligibility and patient demographic data is to be determined and/or verified at each and every patient encounter.	N	Y
Patient Registration	Eligibility Counts	Weekly		Y	N
Patient Registration	Audit Reports	Weekly		Y	Y

WEEKLY REVIEWS

The PORP report is also a good resource to manage your patient registration data. This report is located in the Third Party Billing Package (ABM) so you may have to request additional keys:

ABM > ELTP > RPEL > PORP

WEEKLY REVIEWS

This report should be saved to the Host File Server (HSF) and downloaded into an excel spreadsheet to maximize the data.

PATIENT ELIGIBILITY STATUS REPORT   FEB 15, 2017@10:17:30

For Visit Dates from: 10/01/2015 to 09/30/2016

Billing Location|s|:Sample HOSPITAL, Sample HEALTH CENTER

* - AGE AS OF REPORT DATE

REG LOC	HRN	NAME	DEC	BIRTH DATE	SEX	AGE*	BEN	MCR	MCD	PVT	VET	CHS	RESIDENCE	VET Y/N	DATE OF LAST UPD	EMPL STATUS	BILL VISIT	UNBILL VISIT
SHO					F	04	1 A					C	Community 1		2/1/2017	RETIRED	104	22
SHO					M	04	1 A					C	Community 1	Y	3/24/2016	RETIRED	18	8
SHO					F	03	1 A					C	Community 1		1/19/2017	RETIRED	19	11
SHO					F	30	1		T			C	City 1		11/14/2016	UNEMPLOYED	15	26

BENEFIT COORDINATION

Dept	Report	Frequency	Policy	RPMS	Manual
Benefit Coordination	Productivity	Weekly	Educate and assist patients to identify and obtain access to all available alternate resources	Y	Y
Benefit Coordination	Application Types	Weekly		Y	Y

CODING REVIEWS

Dept	Report	Frequency	Policy	RPMS	Manual
Coding	Coding Queue	Weekly	All applicable codes must be entered, verified, and completed in RPMS within 4 business days of the date of service for all outpatient services. All efforts should be made to enter, verify and complete codes within 4 days after chart completion of the inpatient stay.	Y	N
Coding	Errors	Weekly		Y	Y
Coding	Productivity	Weekly		Y	N
Coding/Data Entry	Coding Review	Quarterly		N	Y

BILLING REVIEWS

Dept	Report	Frequency	Policy	RPMS	Manual
Billing	Productivity	Weekly	All outpatient claims are to be billed within 6 business days of date of service.	Y	Y
Billing	Billed Amounts	Weekly/Monthly	Secondary and tertiary claims must be billed within 3 business days of the posting of the primary payment/denial.	Y	Y
Billing	Errors	Weekly	Deleting (Open/Close) or canceling a claim must only be accomplished by a supervisor or a manager.	N	Y
Billing	Open/Closed	Monthly	Each deleted or canceled claim must include the reason or explanation codes as appropriate and documented	Y	Y
Billing	Cancelled	Monthly		Y	Y

ACCOUNTS RECEIVABLE REVIEWS

Dept	Report	Frequency	Policy	RPMS	Manual
Accounts Receivable	Productivity Pay/Adj Posting	Weekly	The CEO or (his or her) designee must post all receipts and adjustments to the RPMS A/R no later than 3 business days after the receipt of all supporting documentation. All accounts must be reviewed at least once a month by payer, age, and dollar amount. Review, research, and follow-up action must be performed on all bills aging within 30 to 45 days consistent with the current debt collection policy and Federal guidelines for outstanding debts submission to Treasury. All follow-up efforts should be properly documented in the RPMS A/R message field.	Y	Y
Accounts Receivable	Aged Receivables	Weekly		Y	Y
Accounts Receivable	Number of Days in A/R	Weekly		Y	Y
Accounts Receivable	A/R Acct Recon. RPMS/UFMS	Weekly		Y	Y
Accounts Receivable	Adjustments/ Denials of claims	Monthly		Y	Y
Accounts Receivable	Adjustments by Allow Cat/Age/Payer	Monthly		Y	Y
Accounts Receivable	Aged Receivable Review	Quarterly		N	Y

SHARED REVIEWS

Dept	Report	Frequency	Policy	RPMS	Manual
A/R, Finance	Collections	Weekly	The Area FMO or (his or her) designee must ensure that the SU transmissions from RPMS to UFMS are completed. Further, Area FMOs or their designees must ensure that both RPMS and UFMS are reconciled at the Area level and also that this has been completed at the SU level per IHM 5-1.2R(2). This will ensure that the RPMS subsidiary system is in balance with UFMS.	N	Y
A/R, Finance Billing	File Reconciliation	Weekly		N	Y
A/R, Finance	Cash Reconciliation by TDN	Weekly		N	Y
A/R, Finance	Collection to Allotments/Allow Rec	Weekly		N	Y
A/R, Finance Billing	UFMS/RPMS Dashboard	Monthly		N	Y
A/R, Finance	Deposits, Collections/Allotments in RPMS/UFMS	Monthly		N	Y

SHARED REVIEWS

Dept	Report	Frequency	Policy	RPMS	Manual
A/R, Finance	RPMS and UFMS A/R Account Negative Bal.	Monthly	IHS has the right to recover its reasonable billed charge, or, if higher, the highest amount the third-party would pay for care and services furnished by providers other than governmental entities. Access to and maintenance of RPMS tables is restricted to authorized personnel and must be monitored by the CEO or (his or her) designee. The CEO or (his or her) designee will review the RPMS tables for proper authority, timeliness, reasons for updates or	Y	Y
Debt Mgmt	Debt Management Claims	Monthly		Y/N	Y
Pharmacy	Point of Sale Rejections	Monthly		N	Y
IT	Access to and any changes to RPMS Table Maintenance	Monthly		Y	N
All Revenue	Timely Process Reviews	Quarterly		N	Y

SEMIANNUAL REVIEWS

The CEO must ensure that the Third-Party Internal Controls online self-assessment tool sections are assigned to the SMEs within their facility and completed. The CEO will review and approve the completed sections and forward the sections to the Director, ORAP.

INTERNAL/EXTERNAL REVIEWS, EVALUATIONS, AND AUDIT RESULTS

All internal or external reviews, evaluations, and audit findings must be addressed and corrective actions implemented within 30 days of issuance.

TREND ANALYSIS

Trend analysis will be done for collections, deposits, amounts billed, point of sale rejections, denials, and adjustments by allowance category, age, or payer.

All analysis should be based on past or current operations to allow managers to see potential or actual problems and where improvements can be made to increase revenues and decrease losses.

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