



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

## Operating Policy and Procedure

**HSC OP:** 50.04, **MPIP Trust Fund Management**

**PURPOSE:** The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to establish the rules and requirements for managing and reconciling the trust funds for the Medical Practice Income Plan (MPIP).

**REVIEW:** This HSC OP will be reviewed on April 1 of every even numbered year (ENY) by the Director of Accounting Services, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by April 15.

### **POLICY/PROCEDURE:**

#### **1. Definitions.**

**Trust Funds** were established in Banner for accumulating GE Patient Accounting System (PAS) (formerly known as IDX) receipts at each campus. The Banner trust funds are: Amarillo 132004, El Paso 133003, Lubbock 131003, and Odessa 134002.

#### **2. Managing Trust Fund Activity.** The trust funds were established to allow for central management of the MPIP GE PAS billing and collections functions at each campus. The trust funds facilitate patient revenue postings that often involve more than one MPIP department.

Deposits recorded in the trust funds should only include patient income that is maintained in the GE patient accounting system. Other MPIP revenue that is not patient based, including most contract revenue, should not be recorded in a trust fund and instead should be posted directly to the applicable MPIP FOAP(s) of the department(s) that earned the revenue.

Distributions from the trust funds are processed based on payments that post to GE PAS, adjusted for refunds and other accounting items. Expense distributions from the departments to the appropriate fund or account occur at the time of the revenue distribution.

Each campus MPIP Business Office is responsible for populating the on-line tables necessary to distribute revenue and expenses. Tables, reports and other information may be found at the MPIP Revenue and Expense Distribution website: <https://www.fiscal.ttuhscc.edu/mpipdistribution/>. Tables should be updated prior to the deadline indicated on that site.

Corrections arising from the monthly distribution can be made by submitting one Journal Voucher per campus per month to Accounting Services or may be corrected in the following month's table distribution as decided by the appropriate campus.

Entries to the MPIP Unidentified Billing Areas account in each trust fund must be cleared by the appropriate MPIP Business Office.

#### **3. Reconciling the Trust Funds (Banner) to GE PAS.** The activity and ending balance for each trust fund must be reconciled monthly by the applicable MPIP Business Office to the activity and balance in GE PAS. A completed monthly reconciliation must be submitted to Accounting Services no later than 60 days after the end of each month. Reconciliations not received within 60 days will be considered delinquent. Accounting Services will send a delinquent list to the appropriate campus Associate Dean each month. A completed August 31 reconciliation and documentation must be submitted to Accounting Services by October 30 each year, to document

the reconciliation of the balances at the end of the fiscal year. All reconciling differences between the trust funds and GE PAS must be explained in detail, and any permanent differences must be promptly corrected. Any year-end correcting entries must be sent to Accounting Services by September 10.

Examples of reconciling differences that could exist between the activity and balance in the Banner trust fund and the activity and balance in GE PAS follow:

- Payments recorded in GE PAS on the last business day of the month that are not posted to the trust fund until the first business day of the subsequent month (or vice versa)
- Returned checks promptly deducted from the trust fund towards the end of the month but not recorded in GE PAS until the subsequent month (or vice versa)
- Patient refunds promptly deducted from the trust fund towards the end of the month but not recorded in GE PAS until the subsequent month (or vice versa)
- Blue Cross / Blue Shield or Medicare payments promptly recorded to the trust fund towards the end of the month when the wire payment is received but not recorded in GE PAS until the subsequent month when the tapes are received
- Deposits posted to the trust fund for a different campus than is reflected in the recording of the payment in GE PAS
- Voided refund checks that are recorded in GE PAS towards the end of the month when the check cancellation request form is filled out and sent to Accounting Services but not posted to the trust fund until the subsequent month when the form is received and processed by Accounting Services
- Deposits posted to the trust fund for collections not identified with a known billing area in GE PAS (and thus not recorded in GE PAS)

Failure by a Business Office to timely reconcile the applicable campus trust fund significantly increases the risk of fraud and malfeasance.