A. **PURPOSE**

The purpose of this policy is to establish a process to promptly respond to audits by third party payers and their agents/contractors related to the billing of health care items or services and to notify the appropriate billing compliance office of such audits.

B. **SCOPE**

This policy applies to all Texas Tech University Health Sciences Center (TTUHSC) Schools that bill health care items or services to any third-party payer.

This policy only applies to audits of health care items or services by government payers, government agencies or third-party payers, or their agents where the focus of the audit is on the proper coding and billing of health care items or services. This policy **DOES NOT** apply to payer quality of care audits.

C. **POLICY**

TTUHSC intends to respond and cooperate with third-party billing compliance audit requests as outlined in this policy.

The campus Billing Compliance Director (BC Director) or Institutional Compliance Officer (ICO) shall be notified of any third-party billing compliance audit request as set forth in this policy.

D. **PROCEDURE**

1. **Background.**

Both government and private third-party payers have increased their audit activities in an effort to identify fraud, waste and abuse and reduce improper payment of health care items or services. Audits may occur for various reasons, including, but not limited to:

- random selection;
- audits required by federal or state laws;
- data analysis that shows a provider is outside the norm of his/her peer and/or unusual utilization; or
- complaints of billing irregularities.
Attachment “A” of this policy is a list of known third-party payer billing compliance audit entities.

A routine audit may result in a more focused government investigation if the initial findings indicate a high error rate or pattern of improper billing. Therefore, it is important to make sure that complete medical record documentation is submitted. Schools and their Clinical Departments shall designate staff who are familiar with the clinical medical record related to the audit request who will be responsible for responding to third party payer audits as outlined in this policy.

TTUHSC compliance officials shall be notified of these billing audits and their results, as more fully set forth below.

2. Screening of Mail

Provider mail that is not marked personal or confidential and which appears to be from a recognized insurer, third-party payer or government agency, shall be opened by department personnel who shall forward any identified audit requests to the designated audit response staff (See paragraph 3 below) in the School/department or at the campus.

3. Designation of Audit Response Staff

   a. Each Clinical Department, Coding Supervisor or Clinic Administrator, as applicable to the School or campus shall designate one or more individuals (“Audit Response Staff”) who shall be responsible for responding to third-party payer billing audit requests and/or coordinating appeals of audit findings.

   b. Individuals designated as Audit Response Staff should have a working knowledge of the medical record both within the TTUHSC clinic setting and affiliated hospitals where faculty and staff provide health care services or items billed by TTUHSC. These individuals shall be familiar with the information contained in Attachment “A” and shall educate staff in their Department/area on how to identify third-party payer billing audit requests and how to notify the appropriate Audit Response Staff.

   c. Each School, campus or Department Medical Records Director shall designate one or more individuals to assist the Audit Response Staff in identifying and collecting the necessary TTUHSC clinic medical records necessary to appropriately respond to billing audit requests.
4. Responsibilities of Audit Response Staff

In order to adequately evaluate and identify potential billing compliance risks, Audit Response Staff shall provide notice of audits, responses and findings (when known) as follows.

a. Notification of Audit Request.

1) **Schools of Medicine.** The Audit Response Staff shall promptly notify the Billing Compliance BC Director (BC Director) at their campus within 5 business days of receipt of a billing compliance audit from a third-party payer or its agent.

2) **School of Nursing, School of Pharmacy & School of Allied Health.** The Audit Response Staff shall promptly notify the Institutional Compliance Officer (ICO) within 5 business days of receipt of a billing compliance audit from a third-party payer or its agent.

b. Responding to Audit Request.

1) **Timely Response.** Audit Response Staff shall coordinate with appropriate persons as necessary, such as medical records personnel, coders/billers, and the provider(s) subject to the audit, to timely respond to a billing compliance audit request, to include provision of complete medical records for those services subject to audit.

   **INFORMATION SHALL NOT BE ADDED TO THE MEDICAL RECORD TO CORRECT DEFICIENCIES AFTER A NOTIFICATION OF THIRD-PARTY PAYER BILLING AUDIT.**

2) **Payer Affidavits.** The Audit Response Staff shall sign any required payer affidavit attesting to the completeness of the documentation submitted in response to the audit request.

3) **Copies.** The Audit Response Staff and/or Medical Records designee (See 2.c. above) shall make and maintain a copy (paper or electronic) of all documentation, including any signed payer affidavit that is submitted to the third-party payer in response to a billing audit request.

c. **Audits Performed On-Site.**

   TTUHSC faculty and staff shall cooperate with any on-site billing audit team to the extent necessary to provide them access to the necessary medical record information to conduct the audit.
Texas Tech University Health Sciences Center
Billing Compliance Program Policy and Procedure

1) **Staff Oversight.** The Audit Response Staff shall make sure that a TTUHSC employee is in the room with the auditors during the review and photocopying process to ensure that medical records are not misfiled, or inadvertently destroyed or accessed. This individual should be familiar with the medical record organization system in order to direct auditors to records they need to complete the audit, minimizing the risk of erroneous denials due to lack of documentation.

2) **Entrance and Exit Interviews.** The Audit Response Staff shall designate a TTUHSC employee to attend any entrance and/or exit interview related to a billing compliance audit. This person should understand that any statements made during the entrance and/or exit interviews may be used in the audit findings.

d. **Audit Results or Findings.**

1) The BC Director and/or ICO shall be notified within 5 business days from receipt of any audit results pertaining to any third-party billing audit.

2) The Audit Response Staff, in coordination with the BC Director and/or ICO, shall designate one or more individuals to address the audit findings, which may include an internal review of the findings and taking action to appeal any findings. The BC Director or ICO shall not be delegated responsibility for appealing any findings.

5. **Responsibilities of BC Directors/ICO**

a. **Notification of Provider(s).** The BC Director and/or ICO, as applicable, shall provide written notice (i.e., memorandum or e-mail) to the provider(s) who are the subject of any third-party payer billing audit and the Chair of that provider’s Department.

b. **Audit Request/Findings.** The BC Director and/or ICO, in its sole discretion, may assist in responding to audit requests and/or audit findings to the extent it is necessary to maintain an effective compliance program.

c. **Notification.**

1) BC Directors shall confidentially notify their Billing Compliance Advisory Committee (BCAC) of all known third-party billing compliance audit requests as part of regularly scheduled meetings or at any other time the BC Director determines is appropriate to maintain an effective compliance program.
2) BC Directors shall immediately and confidentially notify the ICO and their Billing Compliance Advisory Committee (BCAC) of any audit findings that:

- state the matter has been referred to the third-party payers fraud unit;
- indicate potential billing compliance risks for TTUHSC; or
- the BC Director determines may be relevant to other Schools/campuses.

3) The ICO shall immediately and confidentially notify the Billing Compliance Committee of such findings.

c. **Updates to Appendix “A”.** The ICO shall update Appendix “A” as new information on third-party payers becomes known. The BC Directors shall notify the ICO of any new third-party payer auditors for purposes of updating the information on Appendix “A”.

**E. ADMINISTRATION AND INTERPRETATION**

Questions regarding this policy may be addressed to the campus BC Director or ICO.

**F. AMENDMENTS, REVISIONS OR TERMINATION**

This policy shall be reviewed no later than January 1 in each even-numbered year.

This policy may be amended or terminated at any time, subject to approval by the Billing Compliance Committee.

**G. CERTIFICATION**

I certify that this policy was approved by the Billing Compliance Committee, as reflected in the minutes dated December 2, 2010.

Mildred L. Johnson, JD, CPC, CCEP
Institutional Compliance Officer
TABLE OF THIRD-PARTY PAYER AUDITORS  
As of February 21, 2011

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<tr>
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<th>Audit Program</th>
<th>Auditor/Contractor</th>
<th>Scope of Audits</th>
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<tr>
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<td>Center for Medicare &amp; Medicaid Services (CMS)</td>
<td>CERT Documentation Contractor</td>
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<td>Connolly Healthcare, Inc. Viant Payment Systems</td>
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<td>Health Integrity, LLC</td>
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<td>Texas Medicaid Fraud Control Unit (MFCU)</td>
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<td>Superior</td>
<td>Billing accuracy; Fraud/abuse</td>
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<tr>
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<td>VA</td>
<td>Health Net Federal Services</td>
<td>Billing accuracy</td>
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Attachment “A”