

Compliance Today – February 2019 Does your auditing and monitoring program meet the mark?

By Ruth Krueger and Mary Jo Henne

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With the distribution of the HCCA and Health and Human Services Office of Inspector General (OIG) Measuring Compliance Program Effectiveness: A Resource Guide (HCCA/OIG Resource Guide), ^[1] we now have some great guidelines of their expectations of our auditing and monitoring (A&M) programs. Critical to a successful A&M program is knowing where audits or monitoring activities are needed, and using a well-defined process tool that helps identify several key components prior to starting an audit. To be able to cover all of the outlined expectations, we would need a book or at a least a full-day workshop to do it justice. This article will cover common sources of issues encountered during the process and offer ideas for enhancing your A&M program.

Audit vs. monitor

Having a general understanding of the differences between auditing and monitoring is important. The Association of Healthcare Internal Auditors (AHIA)^[2] and HCCA provide the following guidelines.

Audits are evaluations conducted by an individual who is independent from the targeted operations. Audits are periodic and typically retrospective (e.g., to allow review of billing) and done through sample selection. Audits include a well-thought-out plan and a written report. Some examples may include:

- Transaction audits: claims, arrangements, enrollments
- Process/system audits: Do controls/procedures exist and work?
- Verification audits

Monitoring is an ongoing assessment completed by either a compliance professional or an individual within operations. Monitoring activities are often automated, concurrent, and look at a snapshot in time on a routine basis. In an ideal world, all high-risk services would have operational level review of coding and billing prior to submitting claims. Some examples of monitoring include:

- Quality assurance
- Metrics/control measures/error rates
- Coding/billing edits for high risk services
- Spot checks

Audits

Using an audit process tool (see Figure 1) is helpful to standardize audit performance, which is particularly

helpful with larger organizations that have several auditors/specialists performing audits across the continuum. Once the audit prep process is completed, the work starts. Following this process will clarify and pinpoint areas that can derail an audit, wasting precious time and resources by not paying attention to and addressing the issues up front.

Standardization of focused or work plan audits across several facilities requires good control over the elements targeted for review. Consistency with how an audit is performed, along with the documentation reviewed, becomes very important when comparing the same services across your system(s) of care. Spending time up front to assure that the audit tool is clear and easily followed is worth the effort. Remember, too, that if you see a problem in one department or service area, it is likely happening with the same service area elsewhere within your facility or across your care centers.

Some of the many benefits to using an audit process tool include:

- **Consistency** to ensure that each time you or your staff conducts an audit, there is a clear expectation of the processes to follow.
- **Efficiency** is maximized so that time will not be wasted circling back to the steps that were expected to be included.
- **Fewer audit errors** are made in the audit results, and the reports are more accurate with well-thought-out processes.

Audit Process Tool (example)	Comments
<p>Issue</p> <ul style="list-style-type: none"> • Why are you doing the audit? • What is the compliance or privacy issue/what is the rationale for conducting the audit? 	
<p>Attorney/Client Privilege</p> <ul style="list-style-type: none"> • Will the audit will be conducted under attorney/client privilege? 	
<p>Lead Auditor</p> <ul style="list-style-type: none"> • Is one person or is a team working on the audit? Who will take the lead? 	
<p>Prior Audits</p> <ul style="list-style-type: none"> • Have previous internal/external audits identified issues or concerns that may affect your audit focus? 	

<p>Source of Authority</p> <ul style="list-style-type: none"> • Review statutes, federal regulations, CMS manuals/transmittals/National Coverage Determinations (NCDs) • Medicare Administrative Contractor (MAC) Local Coverage Determinations (LCDs)/policies/bulletins • Other payer regulations/policies/bulletins • Other publications/list serves/industry standards • Privacy: Office for Civil Rights (OCR) HIPAA/Privacy & HITECH regulations (technology), and state statutes 	
<p>Operational Input</p> <ul style="list-style-type: none"> • Are there internal policies/procedures/workflows/processes/controls? • Have you met with the key stakeholders in the area you are auditing? 	
<p>Audit Focus</p> <ul style="list-style-type: none"> • What will you be auditing? What elements will you include? 	
<p>Scope & Methodology</p> <ul style="list-style-type: none"> • What is the sample selection and size? What is the date range for review? • How and with whom will you share the final report? 	

Table 1: Sample Audit Process Tool

Some additional components to consider adding to your A&M process are:

- Clear, concise executive summary and corrective action templates
- Clear guidance for monitoring and resolving identified issues when a corrective action is required to mitigate findings
- Clear expectation for completion of the audit, documentation of findings, and record keeping of audit query, emails, communication, results, and final reports

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