Date            January 7, 2010

To:             Area Directors
                Indian Health Service

From:           Director
                Office of Resource Access and Partnerships

Subject:        Third Party Internal Controls Policy Online Reporting Tool Follow Up
                Procedures

This memo is to establish interim procedures for Follow-Up on the Information gathered by the
Office of Resource Access and Partnerships/Division of Business Office Enhancement
(ORAPIDBOE) utilizing the Third Party Internal Controls Online Reporting Self Assessment
Tool. In 201 0 the Third Party Internal Controls Policy (TPICP) will be updated to include
follow-up procedures addressing any findings from data submitted by your facilities.
Please use the attached Third Party Internal Controls Follow Up Procedures (Attachment 1) in
the interim until the TPICP is updated in 2010.

The Third Party Internal Controls Online Reporting Self Assessment Tool was included in Area
Director Performance Standards in 2009. All Areas are required to be at 80 percent compliance
with submission of the Data. For the 1st and 2nd Quarter of 2009 we achieved 100 percent
compliance for all facilities in all Areas and for 3rd and 4th Quarter of 2009 we achieved
98 percent compliance. These results provide solid baseline statistics for compliance with the
current TPICP standards. In addition, the Self Assessment Tool was specifically mentioned by
the General Accounting Office (GAO) Audit as an Indian Health Service (IHS) initiative to
increase oversight of the third party program. The GAO recommended in their first report on
private insurance that "the Director of IHS strengthen IHS's management and oversight of
billing and collection activities by updating and providing additional guidance in the agency's
policies and procedures for billing and collection from private insurers." Below are
recommended action items taken from the GAO Report. The GAO will do a second report once
they complete their review of private insurance data on billed, collected and adjusted revenue.

1.  Review and update the outdated parts of the Indian Health Manual
    to reflect IHS's implementation of Unified Financial Management
    System (uFMS).

2.  Develop and establish location-specific guidance for implementing the
    requirements in Part 9 of the Indian Health Manual for Area Offices and Service
    Units to individually develop and implement debt management programs and

operational plans, and direct the Area Office Directors and Service Unit Chief Executive Officers to provide training at the local level to ensure the programs and plans are effectively implemented.

3. Develop specific tools and reporting mechanisms to monitor and manage the business revenue cycle, including billing and collection, and debt management activities.

4. Develop a risk-based approach using the information obtained from the new data sources (i.e., the UFMS database and Web-based tool) to prioritize which service units receive future on-site compliance reviews.

The Office of Resource Access Partnerships in the next few months will be updating current policies in 1 and 2 and setting up necessary training for management and revenue cycle staff. The TPICP self assessment tool addresses recommendations 3 and 4. This tool has already provided results that can be used by Areas and Services Units. Within the next couple of weeks Area Directors and Business Office Coordinators will be receiving from HQ's the Red Flagged items taken from the data provided by the Service Units that addresses the TPICP standards. The attached instructions (Attachment 1) covers necessary follow-up actions highlighting any red flagged deficiencies that require immediate corrective action plans (CAP) be put in place within 2 1 days. In addition, Headquarters will issue an overall summary of key elements and general follow-up items that are of concern and/or need clarification. Attachments 2-5 provide additional information on data status and corrective action guidance.

Please review and provide comment on the TPICP Web Based Self Assessment Procedures Tool to John Rael, ORAPIDBOE by e-mail john.rael@ihs.gov or he can be reached at 505-248-4250. Thank you for all your support as we work together to become more efficient and increase our capacity to maximize collections and access to care. I am confident that as this tool becomes institutionalized, it will provide Headquarters, Areas and Service Units with necessary data to improve the third party revenue collections and compliance with payer rules.

Carl L. Harper/s/

Attachments

# Third Party Internal Controls Policy

1.  Online Reporting Tool Follow-Up Procedures

    A.  Purpose:  The purpose is to establish follow-up procedures for the Third Party Internal Controls Online Reporting Tool.  The Online Tool is used for measuring compliance with the Third Party Internal Controls Policy (TPICP) and key elements within the Data are considered critical.  The Office of Resource Access and Partnership/Division Business Office Enhancement (ORAP/DBOE) will identify those key elements that are considered not incompliance and issue reports for follow up.

    B.  Objectives:

        1.  To provide a monitoring mechanism for a proactive approach in identifying revenue cycle problems.

        2.  To help establish Indian Health Service (IHS) wide follow-up standards in certain key elements provided by the Third Party Internal Controls Self Assessment Tool data. Compliance with these standards will assist Chief Executive Officers, Business Office Managers and Area Directors to identify possible needs or gaps in Third Party Revenue functions at Service Units.

        3.  To assist Area Directors, Service Unit Directors and Headquarters to target early corrective actions on any existing or potential revenue cycle problems that Service Units/Facilities may have.

    C.  Guidelines:  The ORAP/DBOE will continue to collect the data, initially it was developed as a Quarterly collections tool, and it will now be collected on a Semi-Annual Basis.  So the dates of collection will remain constant unless otherwise announced.

        1.  Data Collection Period:

            a.  1st and 2nd Quarter for each Fiscal Year (FY) will begin on April 1st of each year and remain open until May 1st  of that same year.

            b.  3rd and 4th Quarter for each FY will begin on October 1st of each year and remain open until November 1st of that same year.

c.  Any reports that are submitted for each of these periods must be all inclusive, i.e., Period Summary Report should be for entire 1st and 2nd Quarter, Aged Summary Report should be run at the end of the 2nd Quarter and 4th Quarter of each submission period**.**

d.  During the time the Online Tool is on and accepting Data ORAP/DBOE will issue weekly Status reports.  (See Attachment 2)

2.  Online Reporting Tool Access/Information:

a.  Third Party Internal Controls Self Assessment User Manual – Information concerning the usernames, passwords, submission of data and general completion of the Online Tool can be found Online at the following link;

http://www.ihs.gov/NonMedicalPrograms/BusinessOffice/documents/3rd_party_Self_Assessment_IHPES.pdf

b.  The link to access the Third Party Internal Controls Online Self Assessment Tool is;

https://home.ihs.gov/OtherPrgms/IHPES/ORAP/TPICPSA/index.cfm?module=administration&option=userLookup

3.  Follow Up Process:

a.  **Red Flagged Items Include;**

*   **Facilities that Have a Backlog of 30 Days or More In Coding**

*   **Facilities that Have a Backlog of 30 Days or More In Billing (Inpatient or Outpatient)**

*   **Facilities that Are Not Transmitting Approved Claims within 1 Business Day**

*   **Facilities that Are Not Posting within 72 Hours from the Receipt of Supporting Documentation**

*   **Facilities that Are Not Reviewing and Researching Aging Accounts within 45 Days**

These Red Flagged Items will be identified within two weeks from the Close of the Data Capture period.  These Items will then be sent to the Area Directors for immediate action and Follow up from the Director or ORAP.  The Red Flagged Items are considered critical and if not corrected will have an adverse impact on Collection of Third Party Revenue at the identified facility.

b.  The ORAP/DBOE will require a Corrective Action Plan (CAP) put in place within 21 days from the date identified and sent to the Area Director to respond. An example is provided in the Required Elements of a Corrective Action Plan (2009) Template (Attachment 3) for guidance.

c.  Area Directors should use Attachment 3 as guidance but ensure that any IHS policy is followed when submitting a formal CAP.  If a facility has more than one Item identified they must submit a CAP for each item unless they can be corrected simultaneously using the same elements to correct.  (i.e., Coding backlog is Effecting the Billing Backlog you could develop a CAP that would correct both elements).

4.  Summary of Key Elements and General Follow-Up Items of concern/clarification:

Once all data has been verified and submitted, ORAP/DBOE will then analyze the data and compile it in a spreadsheet (See Attachment 4).  This spreadsheet will only include a summary of key elements defined by ORAP/DBOE.  The spreadsheet may be fluid to account for any changes of key elements that may change due to vulnerabilities in our Third Party Revenue Cycle (i.e., we may include some elements on one but change them to focus on another the next time.)  This report will be compiled and completed within 45 days from the last day of submission so normally expect the report out approximately July 15th and December 15th respectively.

Once the report is issued to the Director of ORAP it will then be distributed to the Area Business Office Coordinators (BOC) for follow up.  The Area Directors will be notified via an e-mail from the Director of ORAP that the Summary of Key Elements and General Follow Up Items of concern/clarification have been forwarded to their identified BOC or other designee (identified by Area Director).

The Area then has 45 days to follow up on all items identified in the Comments Section (See Attachment 4) and report back to ORAP.  The report back to ORAP could be an attachment to spreadsheet or another column that can be added to the spreadsheet.  No formal CAP is required just a short summary of actions taken to correct or clarify the items in the Comments Section.

If you have any questions concerning the Third Party Internal Controls Online Tool or the Follow up Process, please contact Mr. John Rael, ORAP/DBOE by e-mail john.rael@ihs.gov or he can be reached at 505-248-4250, or Mr. Elmer Brewster, ORAP/DBOE by e-mail elmer.brewster@ihs.gov, or he can be reached at 301-443-2419.

## REQUIRED ELEMENTS OF A CORRECTIVE ACTION PLAN

| | |
|---|---|
| (Service Unit/Facility) | (Area Office) |

1.      Identify the "problem" or management control deficiency to be corrected. (What is the problem?)

2.      Describe in detail the corrective action(s) to be taken.  NOTE:  The corrective action(s) should be achievable.  (What will be done?)

3.      List all responsible parties involved in the corrective action and their specific role in the process.  (Identify each responsible party.  Define their roles.)

4.      Project the timeframe in which the corrective action and/or sub-action(s) is expected to be completed.  NOTE:  Every effort should be made to complete corrective actions within     1 year of the approved CAP.  (When will it be done?)

I hereby certify that this CAP is reasonable, achievable and will correct the deficiency.

Signature: _____ Date: _____

(Please type the name of the person signing here)
Area Director

**NOTE:**  A stamped signature of the Area Director will not be accepted.

Approval of CAP: _____ Date: _____

(Please type the name of the person signing here)
ORAP/DBOE Representative

**NOTE:**  A stamped signature of the ORAP/DBOE Representative will not be accepted.

| area_name | facility_name | asufac | berOfSectionsCompt | Policies and proc | ing verified at eac | coding Curr | Reason if NO. | # of Days Bac | of Coder | f Certified Cod | of Visits per Mor | g # of Visits/Cod | Is Billing Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Area** | **Service Unit A** | **100000** | **11** | Yes | Yes | Yes | N/A | 0 | 3 | 3 | 4890 | 1630 | No |
| Area | Service Unit B | 100001 | 11 | Yes | Yes | Yes | | 0 | 5 | 5 | 1700 | 340 | Yes |
| Area | Service Unit C | 100002 | 11 | No | Yes | No | Coding/Data Entry is out-sourced to PGI they work on LB visits Mondays & Fridays | 6 | 1 | 1 | 1000 | 1000 | Yes |
| Area | Service Unit D | 100003 | 11 | No | No | Yes | N/A | 0 | 16 | 12 | 9775 | 611 | No |
| Area | Service Unit E | 100004 | 11 | Yes | No | No | We are currently assessing staffing levels | 15 | 7 | 5 | 10500 | 1500 | No |
| Area | Service Unit F | 100005 | 11 | Yes | Yes | No | Vacancies in coding positions | 10 | 3 | 0 | 9311 | 3104 | No |
| Area | Service Unit G | 100006 | 11 | No | No | No | Coding contract dispute, have coding current by 09/01/09 | 105 | 6 | 4 | 7000 | 1167 | No |
| Area | Service Unit H | 100007 | 11 | Yes | Yes | Yes | N/A | 0 | 2 | 1 | 3500 | 1750 | No |
| Area | Service Unit I | 100008 | 11 | Yes | Yes | Yes | N/A | 0 | 4 | 2 | 3420 | 855 | Yes |
| Area | Service Unit J | 100009 | 11 | No | Yes | Yes | N/A | 0 | 2 | 2 | 4000 | 2000 | No |

| area_name | facility_name | asufac | berOfSectionsCompl | Policies and proc | ing verified at eac | oding Curr | Reason if NO. | # of Days Bac | of Coder | f Certified Code | f Visits per Mon | # of Visits/Cod | Is Billing Current |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Area | Service Unit K | 100010 | 11 | No | Yes | No | Contract freeze delayed data entry and coding. Rely on contractor to help maintain ICP compliance. | 45 | 3 | 3 | 4653 | 1551 | No |
| **Area** | **Area Assessment** | | | | | | | **22** | **52** | **38** | **59749** | **1149** | |
| | | **%** | **100%** | | | | | | | | | | |

| Reason if No. | # of Days Backlog | Is Fee Schedule Current? | HIPPA Compliant electronic transactions | Posting within 72 hrs.? | Aging accounts reviewed (45day)? | Documented in RPMS message field | % of insurers compliant with lockbox | Comments |
|---|---|---|---|---|---|---|---|---|
| Coding is not Current????? | 10 | Yes | Yes | Yes | Yes | Yes | 95% | Has good PT reg sheet for non bens (Q 12.1). Very good uploads on reports and trending. See question 8, 53,          Conflicting information provided, coding is listed current but billing is claiming that they are backlogged due to coding backlog. CEO claims to be current in Billing but billing is not current. |
|  | 0 | Yes | Yes | Yes | Yes | Yes | 100% | PSR does not have all info for 1st and 2nd Quarter. |
|  | 0 | Yes | Yes | Yes | Yes | No |  | Posting is listed as not current however I consider current if supporting documentation is not received and then posted within 72 hrs once it is recieved. Billing is listed as current, however CEO reports backlog. Many No's in CEO responsibilities. |
| No Medicare biller, backlog on Medicare and Medicaid | 90 | Yes | Yes | Yes | Yes | Yes | 100% | No P&P waiting Aberdeen Area Revenue Generation Committee to distribute the policy. Has own Pt Benefits reports, please provide to ORAP. CEO lists billing behind due to documentation. |
| Belcourt is current Contractor is behind as well as coding | 10 | Yes | Yes | Yes | No | No | 100% | Using Debt Mgmt policy for collecting from non bens. Reports current fee schedule however latest loaded is 2008. Bills awaiting export report shows bills waiting in excess of 1 day (shows 1 - 5 days). Using contractor and in-house staff to follow up on aging accounts and document this in RPMS message field. CEO reports being current in coding however coding is listed as being backlogged upto 15 days. CEO has no trending documents, please provide ORAP any other trending that may be available. |
| Coding is not Current | 10 | Yes | Yes | Yes | Yes | Yes | 98% | No P&P for seeing non-bens. Posting is listed as current however there are batches that are not yet posted please explain, i.e. if supporting documentation has not been received. CEO lists A/R follow up current |
| Coding is not Current | 103 | Yes | Yes | No | No | Yes | 100% | Need PSR totals for 1Q & 2Q, 10/1/08 to 03/31/09. Does not have pt reg coverage for all 24hr period, no P&P for non bens. Answers conflicting for lockbox, all insurers are using lockbox but facility states still receiving checks, please verify. Nice trending done for facility. |
| Coding/Data Entry are backlogged???? | 35 | Yes | Yes | Yes | No | No | 78% | Facility answered N/A for P&P for coding and Data Entry, Why? NoPSR for 1Q & 2Q, need for 10/1/08 to 03/31/09, No written P&P for seeing non bens. Conflicting info for Billing and Coding/Data Entry backlog, Coding section reports being current in Coding/Data Entry, Billing Section reports backlog due to coding backlog. Does facility have solution for Bills Awaiting Export - Viking Mode? |
| N/A | 0 | Yes | Yes | Yes | Yes | Yes | 100% | Facilty reports that transmission of bills waiting to be exported as current or done within 1 day, but Bills awaiting export reports shows, 12 HCFA 1500-Y2K waiting for 58 days. Please report how you will correct this? |
| Staffing levels | 60 | Unknown | Yes | Yes | Yes | Yes | 100% | Facility reports no BOM will have one in Mid July 2009, please follow up on all non compliant questions and ensure that the BOM is familiar with all reports associated with the TPICP. Unable to verify some requirments due to uploads of reports incomplete. |

**Follow up On These**

| Reason if No. | # of Days Backlog | Is Fee Schedule Current? | HIPPA Compliant electronic transactions | Posting within 72 hrs.? | Aging accounts reviewed (45day)? | Documented in RPMS message field | % of insurers compliant with lockbox | Comments |
|---|---|---|---|---|---|---|---|---|
| Coding backlog, Contract | 45 | Yes | Yes | No | Yes | No | 100% | Facility working on standardized P&P. Coding backlog, please report on how they plan on getting back in compliance with coding, dt entry and billing.  Also facility reports that claims transmitted within 1 business day however Bills awaiting export report shows claims waiting in excess of 100 days. |
| | 33 | | | | | | | |
| | | | | | | | | |

| area_name | facility_name | asufac | NumberOfSectionsCompleted | Current Policies and procedures | Is PT reg being verified at each encounter | Is Coding Current? | Reason if NO. | # of Days Backlog | # of Coders | # of Certified Coders | # of Visits per Month | Avg # of Visits/Coder | Is Billing Current | Reason if No. | # of Days Backlog | Is Fee Schedule Current? | HIPPA Compliant electronic transactions | Posting within 72 hrs.? | Aging accounts reviewed (45day)? | Documented in RPMS message field | % of insurers compliant with lockbox | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ABERDEEN** | **Cheyenne River** | 101001 | 11 | Yes | Yes | Yes | N/A | 0 | 3 | 3 | 4890 | 1630 | No | Coding is not Current????? | 10 | No, 2008. | Yes | Yes | Yes | Yes | 95% | Has good PT reg sheet for non bens (Q 12.1). Very good uploads on reports and trending. See question 8, 53, Conflicting information provided, coding is listed current but billing is claiming that they are backlogged due to coding backlog. CEO claims to be current in Billing but billing is not current. |
| ABERDEEN | Crow Creek` | 101430 | 11 | Yes | Yes | Yes | | 0 | 5 | 5 | 1700 | 340 | Yes | | 0 | No, 2008. | Yes | Yes | Yes | Yes | 100% | PSR does not have all info for 1st and 2nd Quarter. |
| ABERDEEN | Lower Brule Health Center | 102231 | 11 | No | Yes | | | | | | | | Yes | | 0 | Yes 2009 | Yes | Yes | Yes | No | | Posting is listed as not current however I consider current if supporting documentation is not received and then posted within 72 hrs once it is recieved. Billing is listed as current, however CEO reports backlog. Many No's in CEO responsibilities. |
| ABERDEEN | Pine Ridge Hospital | 101501 | 11 | No | No | Yes | N/A | 0 | 16 | 12 | 9775 | 611 | No | No Medicare biller, backlog on Medicare and Medicaid | 90 | No, 2008. | Yes | Yes | Yes | Yes | 100% | No P&P waiting Aberdeen Area Revenue Generation Committee to distribute the policy. Has own Pt Benefits reports, please provide to ORAP. CEO lists billing behind due to documentation. |
| ABERDEEN | Quentin N. Burdick Memorial Health Facility | 101901 | 11 | Yes | No | No | We are currently assessing staffing levels | 15 | 7 | 5 | 10500 | 1500 | No | Belcourt is current Contractor is behind as well as coding | 10 | No, 2008. | Yes | Yes | No | No | 100% | Using Debt Mgmt policy for collecting from non bens. Reports current fee schedule however latest loaded is 2008. Bills awaiting export report shows bills waiting in excess of 1 day (shows 1 - 5 days). Using contractor and in-house staff to follow up on aging accounts and document this in RPMS message field. CEO reports being current in coding however coding is listed as being backlogged upto 15 days. CEO has no trending documents, please provide ORAP any other trending that may be available. |
| ABERDEEN | Rapid City GMS | 100901 | 11 | Yes | Yes | No | Vacancies in coding positions | 10 | 3 | 0 | 9311 | 3104 | No | Coding is not Current | 10 | No, 2008. | Yes | Yes | Yes | Yes | 98% | No P&P for seeing non-bens. Posting is listed as current however there are batches that are not yet posted please explain, i.e. if supporting documentation has not yet been received. CEO lists A/R follow up current |
| ABERDEEN | Rosebud Hospital | 101601 | 11 | No | No | No | Coding contract dispute, have coding current by 09/01/09 | 105 | 6 | 4 | 7000 | 1167 | No | Coding is not Current | 103 | No, 2008. | Yes | No | No | Yes | 100% | Need PSR totals for 1Q & 2Q, 10/1/08 to 03/31/09. Does not have pt reg coverage for all 24hr period, no P&P for non bens. Answers conflicting for lockbox, all insurers are using lockbox but facility states still receiving checks, please verify. Nice trending done for facility. |
| ABERDEEN | Sisseton-Wahpeton Oyate Health Care Center | 101701 | 11 | Yes | Yes | Yes | N/A | 0 | 2 | 1 | 3500 | 1750 | No | Coding/Data Entry are backlogged???? | 35 | No, 2008. | Yes | Yes | No | No | 78% | Facility answered N/A for P&P for coding and Data Entry, Why? NoPSR for 1Q & 2Q, need for 10/1/08 to 03/31/09, No written P&P for seeing non bens. Conflicting info for Billing and Coding/Data Entry backlog, Coding section reports being current in Coding/Data Entry, Billing Section reports backlog due to coding backlog. Does facility have solution for Bills Awaiting Export - Viking Mode? |
| ABERDEEN | Spirit Lake Health Center | 101310 | 11 | Yes | Yes | Yes | N/A | 0 | 4 | 2 | 3420 | 855 | Yes | N/A | 0 | No, 2008. | Yes | Yes | Yes | Yes | 100% | Facility reports that transmission of bills waiting to be exported as current or done within 1 day, but Bills awaiting export reports shows, 12 HCFA 1500-Y2K waiting for 58 days. Please report how you will correct this? |
| ABERDEEN | Wagner Health Center | 102101 | 11 | No | Yes | Yes | N/A | 0 | 2 | 2 | 4000 | 2000 | No | Staffing levels | 60 | Unknown | Yes | Yes | Yes | Yes | 100% | Facility reports no BOM will have one in Mid July 2009, please follow up on all non compliant questions and ensure that the BOM is familiar with all reports associated with the TPICP. Unable to verify some requirments due to uploads of reports incomplete. |
| ABERDEEN | Winnebago Hospital | 102001 | 11 | No | Yes | No | Contract freeze delayed data entry and coding. Rely on contractor to help maintain ICP compliance. | 45 | 3 | 3 | 4653 | 1551 | No | Coding backlog, Contract | 45 | No, 2008. | Yes | No | Yes | No | 100% | Facility working on standardized P&P. Coding backlog, please report on how they plan on getting back in compliance with coding, dt entry and billing. Also facility reports that claims transmitted within 1 business day however Bills awaiting export report shows claims waiting in excess of 100 days. |
| **ABERDEEN** | **Area Assessment** | | | | | | | 22 | 51 | 37 | 58749 | 1152 | | | 33 | | | | | | | |