

DEPARTMENT OF THE ARMY
 MEDICAL DEPARTMENT ACTIVITY
 Fort Huachuca, Arizona 85613-7079

MEDDAC MEORANDUM
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Financial Management
 THIRD PARTY COLLECTION PROGRAM (TPC)
 UNIFORM BUSINESS OFFICE (UBO) COMPLIANCE AND AUDIT PLAN

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1. HISTORY. This is the first printing of this publication.

2. PURPOSE. The purpose of the Raymond W. Bliss Army Health Center (RWBAHC) Uniform Business Office (UBO) Compliance and Audit Plan (CAP) is to provide uniform guidance for billing activities in the UBO. This plan outlines collection compliance guidance for the Medical Service Account (MSA), Third Party Collection Program (TPCP) and Tort Claims. The UBO CAP is a comprehensive strategy to ensure the submission of consistently accurate claims, and will ensure the UBO employees and administrative personnel providing services to comply with the applicable laws relating to its participation in these programs. Fraud and abuse, either inadvertent or purposeful, will not be tolerated by the UBO. Therefore, the purpose of this compliance program is to meet the government’s requirements relating to the delivery and documentation of care and the submission of claims relating to that care.

3. SCOPE. This memorandum is applicable to all personnel assigned or attached to the United States Army Medical Department Activity (MEDDAC), Fort Huachuca, AZ.

4. REFERENCES.
 - 4.1 DoD 6010.15-M, Military Treatment Facility Uniform Business Office (UBO) Manual, Current addition

 - 4.2 Health Insurance Portability and Accountability Act

 - 4.3 41 USC 1-51, Anti-Kickback Statute

4.4. 42 USC 1395WW, Federal Self-Referral Statute

4.5. 42 USC 1320a-7a, Civil Monetary Penalties Law

4.6. 31 USC 3729-33, False Claims Act

4.7. Balanced Budget Act Exclusions/Suspensions

4.8. AR 40-400, Patient Administration

4.9. AR 27-1, Legal Services, Judge Advocate Legal Services

4.10 AR 27-20, Claims

4.11 42 U.S.C. Title 10, Subtitle A, Part II, Uniform Code of Military Justice (UCMJ)

5. RESPONSIBILITIES. It is the responsibility of all RWBAHC employees to know and follow the guidance outlined in this plan.

5.1 Chief Compliance Officer/UBO Manager:

5.2 Will ensure the implementation of this guidance and its intent will be reviewed and followed by all UBO staff.

5.3 Ensures that the CAP is consistent and meets RWBAHC's and United States Army Medical Command's (MEDCOM's) goal of compliance.

5.4 The proponent for this plan is the Chief, Resource Management Division (UBO Manager/Chief Compliance Officer). The approving authority for this plan is the Deputy Commander for Administration.

6. OBJECTIVE. In order for the final claim to be accurate, the data supporting the claim must be accurate. Therefore, an effective compliance program requires the education of everyone whose jobs are related to that process. To be effective, the CAP is designed in a manner that:

6.1 Addresses the organization's business activities.

6.2 Educates RWBAHC employees whose jobs have an impact on the process.

6.3 Includes auditing; reporting functions and reconciling as quickly and efficiently as possible.

6.4 This CAP educates the employees and administrators of their obligation to be an active participant in the UBO's effort to comply with the applicable laws and regulations.

7. COMPLIANCE OVERVIEW.

7.1 Definition of compliance. The American Hospital Association's (AHA's)(AHA) definition is as follows, "Accurately following the Government's rules on Medicare billing system requirements' and other regulations. A compliance program is a self monitoring system of checks and balances to ensure that an organization consistently complies with applicable laws relating to its business."

7.2 Intent of compliance. The Federal Register states: "Fundamentally, compliance efforts are designed to establish a culture within a hospital that promotes prevention, detection, and resolution of instances of conduct that does not conform to Federal and State law, and Federal, State and private payer health care program requirements, as well as the hospital's ethical and business policies."

8. PROCEDURES. The UBO Compliance Plan will consist of the following:

8.1 Standard of Conduct

8.2 Claims development and submission process

8.3 Credit balances

8.4 Retention of records

8.5 Compliance as an element of performance plan

8.6 Confidentiality of information/medical records, HIPAA

8.7 Conduct reviews of bills against the medical record

8.8 Review training sources on the UBO web site

8.9 Review the administrative procedures for identification of Other Health Insurance (OHI).

9. COMPLIANCE AND AUDIT PROGRAM.

9.1 Participants. All UBO employees. The implementation of CAP requires participation of individuals involved with the claim development and submission process, including administrators, and billing personnel. The participants will be involved in the analysis of all steps in the process in order to ensure that the claim, which is ultimately submitted, is accurate.

9.2 Resource Needs. The Chief Compliance Officer will provide information, schedule training, designate compliance personnel, and make available the time for personnel to: conduct audits, develop/create education programs.

9.3 Elements of the UBO CAP.

9.4 Compliance Standards and Procedures: Employees and administrators will be held to performance and conduct standards designed to maximize correct billing procedures and eliminate errors. Adherence to the CAP will be an element in evaluating the performance of an individual employee or administrator.

9.5 Professional Fee Billing Plan. This compliance plan describes the commitment and procedures for proper billing of services. The UBO has been and continues to be committed to conducting professional fee outpatient billing in accordance with applicable regulations. For this purpose, professional fee billing includes the following:

9.5.1 Proper selection of diagnostic codes (ICD9)

9.5.2 Category of service and level of service (E&M)

9.5.3 Documentation of clinical services i.e. lab, x-rays, and procedures (CPT)

9.5.4 Submission of claims, collection, payment posting, error correction

9.5.5 Retention of records for documentation, audits, and reviews

10. ACCOUNTING.

10.1 Third Party Collection Program. Under this program, MTF's collect from OHI offered by third party payers for the care provided by the MTF to non-active duty beneficiaries who are covered by commercial health insurance.

10.2 Medical Service Account Office (MSAO). These collections are recovered from the individual receiving care; , they're their sponsoring unit or country, or commercial health insurance carriers. This program also collects bills/data from OHI offered by third party payers for the care provided by the MTF to active duty allied nationals and there their family member beneficiaries and forwards the documents to MEDCOM for further processing.

10.3 Medical Affirmative Claims. Under this program in accidental injury cases, the MTF with Judge Advocate General (JAG) seeks to collect health care expenses from liable third parties such as automobile insurance carriers.

11. UBO COMPLIANCE COMMITTEE. Compliance Committee function is to review the UBO CAP, advise the UBO on legal and compliance issues, and audit the UBO to ensure compliance.

11.1 The Committee consists of:

11.1.1 RWBAHC Chief RMD

11.1.2 RWBAHC Deputy Chief RMD

11.1.3 As needed Judge Advocate General (JAG)

11.1.4 Internal Review Staff

11.2 The Compliance Committee will meet quarterly to:

11.2.1 Review, revise, and formulate appropriate policies to guide billing of proper professional fees.

11.2.2 Review, revise, and approve compliance plans, including policies relating to billing and documentation.

11.2.3 Oversee chart and billing reviews conducted by both internal and external auditors/consultants.

11.2.4 Develop/recommend systems and processes to optimize compliance.

11.2.5 Review any inquiries concerning billing.

11.2.6 Prepare an annual report that summarizes the quantitative and qualitative compliance effort.

12. MONITORING/AUDITING.

12.1 Auditing of UBO procedures is essential to verify compliance. The following matrix outlines the audit procedures for RWBAHC UBO:

12.1.1 TPCP, primarily the MSAO will verify visits (compares Composite Health Care System (HCS)/Armed Forces Health Longitudinal Technology Application (AHLTA) to medical record); all billable visits; every bill; produced by the respective biller.

12.1.2 TPC will verify correct billing procedure; a minimum of twenty bills; quarterly; conducted by the Chief Compliance Officer (CCO).

12.1.3 MSAO verifies correct billing procedure; minimum of five records; quarterly; conducted by the CCO.

12.2 Annually, the CCO, in consultation with the UBO Compliance Committee (if deemed necessary), will engage an external billing reviewer to review a sample of records drawn from a cross-section of departments.

12.3 If any of these reviews identify possible instances of non-compliance with the UBO billing policies and with legal requirements, the CCO shall report the matter to the Executive Committee. The Executive committee will review further and take action as deemed necessary.

13. REPORTING AND INVESTIGATING COMPLIANCE ISSUES.

13.1 The UBO employees will report to the CCO any activity that employees believe may be inconsistent with CAP policies or legal requirements regarding billing. Employees who report possible compliance issues will not be subjected to retaliation or harassment as a result of the report. Concerns about possible retaliation or harassment should be reported to the CCO or the Deputy Commander for Administration (DCA).

13.2 Whenever conduct that may be inconsistent with a billing policy or requirement is reported to or discovered by the CCO, an investigation will be started with the assistance with legal counsel. After review and investigation, a report shall be prepared which lists the findings for the UBO Compliance Committee.

14. CORRECTIVE ACTION PLANS.

14.1 Whenever the compliance staff identifies non-compliance, corrective action will be taken. The CCO will meet with the section and/or UBO Compliance Committee to review the findings and develop a corrective action plan within the department. If and when the CCO determines that the departmental remedies have not corrected the problem, further corrective action will be taken, depending upon the severity of the offense as described below:

14.1.2 Billing is suspended.

14.1.3 The violation is identified and confirmed.

14.1.4 The violation is assessed to determine simple or gross negligence, or criminal. Gross negligence or suspected criminal activity may require an audit, and be reported to the UBO compliance committee.

14.1.5 The employee will be re-trained.

14.2 Serious violations of conduct will be dealt with IAW the American Federation of Government Employees (AFGE) negotiated agreement and AR 690-700 for negligence. UCMJ actions will be taken, as required, for active-duty enlisted and officers.

The proponent of this publication is Resource Management Division. Users are Invited to send comments and suggested improvements on DA Form 2028 directly to Resource Management, ATTN: MCXJ-RMD, USA MEDDAC, Ft. Huachuca, AZ 85613-7079.

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APPENDIX A
Uniform Business Office (UBO) Compliance Audit Check List

General.

Does the Military Treatment Facility (MTF) have written standards for employees to address fraud and abuse violations for federal, state and third party health care programs?

YES NO

Does the MTF provide education and training for all UBO personnel?

YES NO

Do audits and monitoring of the UBO occur on a scheduled recurring basis?

YES NO

Internal Management Control.

Do the coders also perform billing functions?

YES NO

Do the billers perform coding functions?

YES NO

Are procedures in place to assure separation of coding and billing functions?

YES NO

Are there policies and procedures in place regarding the creation, distribution, retention, storage, retrieval and destruction of documents related to the billing process?

YES NO

Third Party Collection Program (TCP)

Are all potentially billable beneficiaries interviewed to obtain employment and insurance information?

YES NO

Are interviews documented on Third Party Collection Program Record of Other Health Insurance DD Form 2569, TPC insurance information, and kept current in the patient's records?

YES NO

Are procedures in place to ensure pre-certification/pre-authorization action occur and are documented?

YES NO

Are all valid denials and refunds approved by the TPCP/UBO Manager?

YES NO

Are claim files maintained for the time period, and in the manner required by DoD?

YES NO

Are claims for which payment has been denied documented with actions taken or followed up on?

YES NO

What are three of the most common reasons for denial of claims?

1. _____, 2. _____, 3. _____

What is the time period to follow up on an unpaid claim: _____

Medical Services Account (MSA)

Is the MSAO Officer appointed by written order of the MTF Commander?

YES NO

Are procedures established for transfer of MSA Account?

YES NO

Is the MSAO accountable for any other appropriated fund or the Government property?

YES NO

Are standard operating procedures established in writing for daily operation of the MSA office?

YES NO

Is the organizational arrangement (separation of duties of biller, cashier, etc) adequate to protect cash receipts?

YES NO

Are MSA collections deposited as specified in the operating procedures?

YES NO

Are current procedures established to ensure collections are distributed to the appropriate account and reconciled regularly with DFAS or MTF financial office?

YES NO

Billing.

Does the bill accurately reflect the care documented in the medical record preventing inappropriate or up coding of billings?

YES NO

Are provider identification numbers used appropriately to prevent improper billing?

YES NO

Are billing procedures appropriate to prevent duplicate billing?

YES NO

Is there appropriate resolution of overpayment?

YES NO

Is billing current, to include producing bills daily?

YES NO

Accounting

Are checks received processed within locally established time period?

YES NO

Are checks received and stored in a safe and deposited in accordance with local guidelines?

YES NO

Is the organizational arrangement (separation of duties of biller, cashier) adequate to protect cash receipts?

YES NO

Is the MSA report completed and forwarded to the servicing Finance Accounting Office (FAO) each month?

YES NO

Are discrepancies between the servicing FAO and the MSAO identified and reconciled promptly?

YES NO