

Policy Name:	Compliance Auditing and Monitoring
Policy Number:	96-108-16
Approval Date:	1-12-2016
Approved by:	Nancy Oetinger

PURPOSE

Consistent with our core value of Integrity and Stewardship, it is the policy of Mercy Health System (MHS) to establish monitoring and auditing activities as an integral element of the Integrity and Compliance Program, and to implement corrective actions for any area identified as not in compliance with federal, state, and local regulations or with Mercy Health System Policy.

SCOPE

Mercy Health System and all its subsidiaries

POLICY

The Integrity and Compliance Office will conduct or oversee periodic monitoring and auditing of risk areas identified by Trinity Health, the MHS Management Compliance Committee, Management, Trinity Health's Integrity and Audit Services and other areas identified by the Center for Medicare Services (CMS) or the Office of the Inspector General (OIG). The compliance office will also consider other sources including: Health Care Compliance Association (HCCA), Healthcare Financial Management Association's (HFMA) Compliance Updates, HCPro, and local industry compliance meetings. Compliance monitoring and auditing are conducted to help assure quality, zero tolerance for fraud and abuse, and to comply with Mercy Health System's Compliance policies and applicable federal, state and local laws and regulations.

PROCEDURE

1. **Auditing**- Internal auditing plans are developed jointly by the Integrity and Compliance Office and Trinity's Integrity and Audit Services based upon the findings of the annual risk assessment. External audits may be conducted to evaluate identified risk areas. Findings of internal and external audits will be reported to the Chief Integrity and Compliance Officer.
 - a. The MHS Chief Integrity and Compliance Officer oversees internal audits that focus on compliance topics. These audits may review the effectiveness of the compliance policies and procedures, specific regulatory guidelines and Mercy's compliance with the guidelines. Audits should be prioritized based on compliance risk. Depending on the results of the audit, corrective actions may be developed, and monitored. Compliance effectiveness audits will be conducted on a regular basis

- b. Results of compliance audits will be reported to the Compliance Committee of the Mercy Health System Board.
 - c. The Chief Integrity and Compliance Officer will maintain a record of all annual compliance audits for a period of at least seven years.
2. Monitoring- Compliance monitoring plans may be developed at the Mercy Health System, operating unit and department levels.
 - a. Following the annual risk assessment with Integrity and Audit Services, the Chief Integrity and Compliance Officer, in conjunction with the Management Compliance Committee, will annually identify high risk areas for compliance monitoring.
 - b. Monitoring tools and techniques will be established at the appropriate organizational level and shall use metrics and error rates whenever possible. The monitoring should incorporate data such as, but not limited to, the following:
 - Adherence to Medicare/Medicaid rules and regulations
 - DRG Validation and related topics such as Present on Admission Indicators
 - Physician documentation for Evaluation and Management (E&M) coding
 - Use of CPT codes and modifiers
 - Screening for and documentation of medical necessity
 - Level of service billed supported by documentation
 - Charges on itemized patient bills
 - Compliance education provided to new employees and identified risk groups
 - Physician contracting
 - Sanction screening
 - HIPAA privacy and security incidents
 - c. Department Managers will be responsible for the day-to-day monitoring of compliance topics. Significant fluctuations in metrics will be investigated and corrective actions taken, if deemed necessary. Corrective action will include refunds if overpayments are found. Findings will be noted by department managers, logged and maintained for review by the Chief Integrity and Compliance Officer. Noted instances of non-compliance shall be reported to the Chief Integrity and Compliance Officer immediately.
 - d. Each Operating Unit will be responsible for conducting a minimum of four departmental compliance monitors each year.
 - e. Each Operating Unit will monitor electronic access to clinical information systems at least quarterly.

- f. The Integrity and Compliance Department will monitor physician documentation and billing based on assignment of risk (See policy #96-112, Physician Billing Compliance).
- g. The Integrity and Compliance Department will monitor physician contracting periodically.
- h. The Chief Integrity and Compliance Officer will provide summary monitoring data to the Management Compliance Committee and Board Compliance Committee.