UT Health
San Antonio
Internal Audit & Consulting Services

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Date: October 12, 2021

To: Dr. Robert Hromas, Dean, Long School of Medicine
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From: John Lazarine, Chief Audit Executive
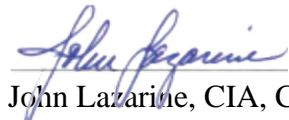   Internal Audit & Consulting

Subject: Audit Report – Payor (Insurance Carrier) Billing Controls Audit

As part of our FY 2021 Audit Plan, we recently completed the Payor (Insurance Carrier) Billing Controls audit. Attached is the report detailing the results of this review. There were no significant findings noted which require Management's Action Plans.

We appreciate the cooperation and assistance we received from the management and staff throughout the review.

Respectfully,

John Lazarine, CIA, CISA, CRISC
Chief Audit Executive
Internal Audit & Consulting Services

Distribution:

cc: Dr. William Henrich, President
      Andrea Marks, Senior Executive Vice President and Chief Operating Officer
      Ginny Gomez-Leon, Vice President and Chief Financial Officer
      Yeman Collier, Vice President and Chief Information Officer
      Dr. Robert Hromas, Dean, Long School of Medicine
      Dr. Carlos Rosende, Executive Vice Dean, Clinical Affairs
      Dr. Robert Leverence, Chief Medical Officer
      Richard Nuttall, Vice Dean, Finance and Administration
      Brandon Hartman, Chief Administrative Officer
      Toby Kennerdell, Senior Director, Patient Financial Services
      Andrew Krecek, Clinical Information Officer
      J. Michael Peppers, Chief Audit Executive, UT System

External Audit Committee Members:
      Randy Cain
      Ed Garza
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Executive Summary

Background

UT Health Physicians (UTHP) utilizes a third-party vendor (TriZetto) to manage the insurance claims process with insurance carriers (insurance payors). UTHP is responsible for posting insurance payor payments to patient accounts within the electronic medical record system. According to UTHP management, utilizing a third-party vendor has increased revenue due to a reduction in errors. In FY 2021[1] over 1.9 million claims were processed through TriZetto, totaling $858 million in billed charges.

Objective & Scope

As part of our approved annual audit plan, we conducted an audit of the insurance claims process within the UTHP[2] clinical practice. The objective of this audit was to evaluate the effectiveness of payment collection processes and controls for payments received by insurance payors to ensure that UTHP is paid in accordance with agreed-upon rates from payor contracts.

The scope of this audit was focused on the payment collection process and controls for the billing of services provided by UTHP clinical practice during FY 2021. Since UTHP uses TriZetto to process all claims, we reviewed and validated the controls for securing claim billing data during the payment collection process. Validation included the security over data while in possession of UTHP and during transmission to TriZetto. In addition, we reviewed the resolution efforts for underpayments/overpayments conducted by UTHP staff to ensure appropriate contractual claim rates are utilized.

We conducted our audit in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The audit is also intended to meet the TAC 202[3] biennial review, as required by the State of Texas and UT System Administration.

Conclusion

Overall, we determined the controls over the payment collection process, as it pertained to billing insurance payors for services provided by UTHP clinical practice, were effective and are operating as intended. The controls pertaining to the security of claim billing data were found to be compliant with TAC 202. In addition, UTHP is effectively monitoring TriZetto's ability to satisfy claim submission requirements ensuring UT Health San Antonio is paid in accordance with agreed-upon contractual rates with insurance payors. Without appropriate controls in place, UTHP could be vulnerable to revenue loss, compromised data, and HIPAA violations that create a negative public perception of UT Health San Antonio.

We would like to thank UTHP clinical operations, as well as UTHP Health-IT management and staff for the support and assistance provided during this audit.

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[1] *Fiscal Year 2021 (September 1, 2020 – August 31, 2021)*

[2] *UT Health San Antonio provides clinical services to patients through the UT Health Physicians (UTHP) practice plan.*

[3] *Texas Administrative Code 202 (TAC 202), RULE §202.76 (c) A review of the institution's information security program for compliance with these standards will be performed at least biennially, based on business risk management decisions, by individual(s) independent of the information security program and designated by the institution of higher education head or his or her designated representative(s).*

#	Risk	Risk Ranking *	Mitigating Control	Control Status
	Summary of Electronic Control Testing Results: _TAC 202 (Electronic Medical Records System)_			
1	Incomplete or inaccurate claims data sent to TriZetto	🔴	Reconciliation, automatic script in electronic medical record system. _TAC 202, SCSC SC-8_ _TAC 202, SCSC SI-1_	🟢
2	Patient data could be compromised in transit or while stored on a UTHP server, compromising data integrity and patient privacy.	🔴	Encryption and secure FTP Limited User Access Audit Trail _TAC 202, SCSC SC-8_ _TAC 202, SCSC AC-2_	🟢
3	Patient data is improperly disclosed by third-party vendor (TriZetto), after it is received electronically due to a security breach.	🔴	Contract contains language that protects UTHSCSA. _(UTHP relies on TriZetto's controls) Health-IT does have controls in place over patient accounts, but not over data that is controlled by TriZetto._ _TAC 202, SCSC AR-3_	🟡
4	Inappropriate access to the electronic medical records system.	🔴	Monitored / restricted access by UTHP Health-IT _TAC 202, SCSC AC-2_	🟢
5	Inappropriate access to TriZetto portal (fee schedules and patient data could be altered) is given without proper authorization.	🔴	Monitored by both UTHP and vendor but ultimate access to portal is granted by TriZetto. _TAC 202, SCSC AC-2_ _TAC 202, SCSC AR-3_	🟡

Criteria

Texas Administrative Code Chapter 202 (TAC §202) outlines the minimum information security and cybersecurity responsibilities and roles at state agencies and institutions of higher education. TAC §202 requires agencies and institutions of higher education to use the TAC §202 Security Controls Standards Catalog (SCSC). The security controls catalog is based on the National Institute of Standards and Technology (NIST) Special Publication _(SP) 800-53, R4._ Using a centrally managed controls catalog effectively ensures that all agencies and institutions use common language and minimum standards when implementing security measures.

Testing Methodology and Results

Internal Audit utilized TAC §202 SCSC as part of the validation testing. Results of the test work are summarized above by:

- **_(*) Risk and Risk Ranking_** _(as to its impact to UTHP Operations in the absence of adequate controls)_
    - **Red** = High Risk
    - **_Yellow_** = Medium Risk
    - **_Green_** = Low Risk

- **_Mitigating Control_** _(as defined in TAC §202 Security Controls Standards Catalog)_

- **_Control Status_**
    - **Red** = Control is not in place and/or not working
    - **_Yellow_** = Control is in place and is not reliable
    - **_Green_** = Control is in place and operating effectively

#	Risk	Risk Ranking *	Mitigating Process Control	Control Status
	Summary of Operational Control Testing Results: **UTHP Operational Billing Process**			
1	Incorrect rates are given to TriZetto, resulting in filing errors (revenue loss).	🔴	Rate Validation: UTHP performs routine spot-checks of rates uploaded to the TriZetto portal to ensure accuracy. *Audit validated a sample of rates for accuracy.*	🟢
2	Payor fee schedules are not monitored and updated appropriately (revenue loss).	🔴	Reconciliation: UTHP reviews revenue recovery reports to ensure claims are paid at the appropriate rate. *Audit validated UTHP process for monitoring contracts and fee schedules.*	🟢
3	Payment for services provided by UTHP could be reduced due to Payor processing decisions regarding claim information that is not in accordance with the contract with UT Health San Antonio (revenue loss).	🔴	Reconciliation: UTHP reviews revenue recovery reports to determine that all claim appeals are satisfactorily resolved in accordance with the payor contract. *Audit validated process controls for (1) monitoring revenue recovered from appeals by TriZetto, and (2) determining that payments were posted within the electronic medical records system.*	🟢

Criteria

The payor contracts outline fees for services to be provided by UTHP. These contracts can be very complex due to the number of specialties and procedures covered. As part of our scope, we utilized two payor contracts to validate rates, specifically (1) Blue Cross Blue Shield[4] (Radiology), and (2) Texas Medicaid and Healthcare Partnership (overall rates). Additionally, the service agreement with TriZetto, specifically the requirement that UTHSCSA provide TriZetto with current payor fee schedules for each procedure code.

Testing Methodology and Results

We utilized payor contracts to validate relevant fees and to determine whether appeals were satisfactorily resolved in accordance with the contract(s). Results of the test work are summarized above utilizing the below listed rankings:

- **(*) Risk and Risk Ranking** *(as to its impact to UTHP Operations in the absence of adequate controls)*
  - **Red** = High Risk
  - *Yellow* = Medium Risk
  - *Green* = Low Risk

- **Mitigating Control** *(as defined by Internal Audit's testing and corresponding criteria)*
- **Control Status**
  - **Red** = Control is not in place and/or not working
  - *Yellow* = Control is in place and is not reliable
  - *Green* = Control is in place and operating effectively

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[4] *Blue Cross Blue Shield has 41 different fee schedules and is one of our largest payors. Due to the size of this contract, Audit reduced the scope of work to one specialty (Radiology).*

Risk Rating:	*Not Applicable*
Recommendation:	*Not Applicable*
Management Responses:	*Not Applicable*

RISK RATING

Priority	An issue identified by an internal audit that, if not addressed on a timely basis, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.
High	A finding identified by an internal audit that is considered to have a medium to high probability of adverse effects to a UT institution or UT System as a whole.
Medium	A finding identified by an internal audit that is considered to have a low to medium probability of adverse effects to a UT institution or UT System as a whole.
Low	A finding identified by an internal audit that is considered to have minimal probability of adverse effects to a UT institution or UT System as a whole.
n/a	No reportable findings or observations were identified during the course of the audit.

AUDIT TEAM
Kimberly Weber, Audit Director, CIA, CFE, CRMA, CICA, CGAP, MPA
Brenda Peña, Lead Auditor, CIA, CFE, CICA

APPROVED FOR RELEASE

John Lazarine, Chief Audit Executive, Internal Audit & Consulting Services

DISTRIBUTION
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