TABLE OF CONTENTS
FOR
AUDIT, COMPLIANCE, AND RISK MANAGEMENT COMMITTEE

Committee Meeting: 2/26/2020

Board Meeting: 2/27/2020
Austin, Texas

David J. Beck, Chairman
Christina Melton Crain
Jodie Lee Jiles
Janiece Longoria
Nolan Perez
Rad Weaver

	Committee Meeting	Board Meeting	Page
E. CONVENE JOINT MEETING WITH FINANCE AND PLANNING COMMITTEE	*1:00 p.m.*		
4. **U. T. System: Fiscal Year 2019 Consolidated Annual Financial Report, including the Independent Auditors' Report, and audits of the financial statements of U. T. Austin, U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, U. T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)**	*1:00 p.m.* **Report/Discussion** *Ms. Hinojosa Segura Mr. Peppers Ms. Tracey Cooley, Mr. Blake Rodgers, Deloitte & Touche*	Not on Agenda	**41**
F. ADJOURN JOINT COMMITTEE MEETING	*1:30 p.m.*		

1.   **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

RECOMMENDATION

No Consent Agenda items are assigned for review by this Committee.

2.   **U. T. System: Discussion on Systemwide Efforts to Mitigate Medical Billing Compliance Risk**

Executive Director of Systemwide Compliance and Ethics Officer King and U. T. Health's Director of Healthcare Billing Compliance McVean will introduce a discussion on Systemwide Efforts to Mitigate Medical Billing Compliance Risk. A PowerPoint presentation is set forth on the following pages.

BACKGROUND INFORMATION

In financial terms, no compliance risk at the U. T. System is greater than the risk surrounding medical billing. To address and mitigate this risk, each U. T. institution engaged in the practice of medical billing has robust policies, processes, technology, and personnel dedicated to this issue. In addition, there are significant efforts at U. T. System Administration to aid in successful collaboration between institutions on this issue. This presentation is intended to inform Board Members regarding the nature and scope of the risk, as well as foster a discussion on the significant compliance efforts currently underway.

Mitigating Medical Billing Compliance Risk

Jay McVean, Director, Medical School Healthcare Billing Compliance –
U. T. Health Science Center - Houston

Jason D. King – Executive Director of Systemwide Compliance and
Ethics Officer – U. T. System Administration

U. T. System Board of Regents' Meeting
Audit, Compliance, and Risk Management Committee
February 2020

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Risk Profile Systemwide

- $8.8 billion dollars in annual hospital, clinic, and professional fees

- 8.2 million annual outpatient visits

- Centers for Medicare and Medicaid Services enforcement authority

    – Recoupment of overbilling

    – Significant fine authority

    – Disqualification

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2

Role of Billing Compliance

- Implements written policies, procedures, and standards of conduct

- Conducts effective training and education

- Develops effective lines of communication

- Conducts internal monitoring and auditing

- Responds promptly to detected billing compliance issues and undertake corrective action

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3

Reporting

Each institution has a Billing Compliance Office staffed by well-educated and highly-trained individuals who conduct ongoing audits and medical record reviews.

- Regular routine coding audits

- Highly specialized risk-based audits

- Special investigations based on Compliance Hotline calls

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4

Reporting (cont.)

Audit results are communicated across various levels at each institution.

- Individual provider-based communication and/or education

- Department Compliance Committee communication and/or education

- Executive Compliance Committee (C Suite) reporting

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5

Systemwide Collaboration

While each institution has a strong and capable medical billing compliance infrastructure, each institution recognizes that the U. T. institutions are stronger together.

- Medical Billing Institutional Compliance Advisory Committee

- Systemwide procurement and utilization of medical billing software, MD Audit

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6

MD Audit

- A tool all U. T. System billing compliance offices use to monitor, detect, and schedule billing compliance audits

- Able to monitor risk areas in real time to be more proactive than ever

- A faster and more robust audit tool, allowing for institution specific customization

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7

3. **U. T. System: Discussion and appropriate action regarding request for funding of $10,000,000 from the Internal Lending Program (ILP) to enhance security in networks across the U. T. System and implement research related management controls**

RECOMMENDATION

The Chancellor concurs in the recommendation of the Chief Compliance and Risk Officer that the U. T. System Board of Regents approve additional funding in the amount of $10,000,000 from the Internal Lending Program (ILP) to be used over a three-year period to enhance security in networks across the U. T. System and implement research related management controls.

BACKGROUND INFORMATION

A third-party assessment was conducted of networks at each U. T. institution and found opportunities to enhance security. Network security is a necessary foundation for a modern information security program as it is the transport mechanism that attackers use to spread malware and conduct malicious activity once inside a network.

As a parallel effort, U. T. System has collaborated with each U. T. institution to assess and determine needed improvements to research management controls to further safeguard critical research, grant funding streams, and intellectual property.

The requested $10,000,000 will be used over a three-year period to fund both network security and management controls. Network security improvements are anticipated to account for approximately 70% of the total amount requested and will fund the network security projects including hardware, software, and contracted services that institutions identified as their top priority.

4. **U. T. System: Report on the Fiscal Year 2019 Annual Financial Report, including the report on the U. T. System Annual Financial Report Audit, and audits of the financial statements of U. T. Austin, U. T. M. D. Anderson Cancer Center, U. T. Southwestern Medical Center, and U. T. Medical Branch - Galveston and for funds managed by The University of Texas/Texas A&M Investment Management Company (UTIMCO)**