
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of San Antonio Metropolitan Health District

Lab Operations

Project No. AU18-007

September 07, 2018

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Metropolitan Health District (Metro Health), specifically lab operations. The audit objectives, conclusions, and recommendations follow:

To determine if Metro Health laboratories are operating in compliance with regulations and they are operating efficiently and effectively.

The Metro Health laboratories are operating effectively and efficiently and in compliance with regulations. We determined that Metro Health laboratories have adequate controls to ensure policies and procedures are reviewed and updated regularly, inventory is secure and maintained, and training requirements are met. Additionally, we determined that grant reimbursement requests were accurate and lab revenue was collected in accordance with COSA administrative directives.

However, there are opportunities to strengthen the controls associated with the submission and tracking of Medicaid reimbursements.

We recommend that Metro Health Management:

- Revise current procedures to ensure all Medicaid eligible claims are submitted and that a reconciliation of claims submitted to payments received is being performed.

Metro Health Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 5.

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Background

The San Antonio Metropolitan Health District (Metro Health) is the public health agency charged by State law, City code, and County resolution with the responsibility for providing public health programs in San Antonio and unincorporated areas of Bexar County.

A key service Metro Health offers is laboratory services. The laboratory operates out of three separate locations and provides testing services which include

- water bacteriology
- frozen dessert, milk, and dairy
- sexually transmitted diseases
- rabies
- tuberculosis

In addition, the laboratory provides influenza surveillance for the region and support activities that reach out to 60 surrounding counties. These services are funded via a combination of the general fund, grant funding, Medicaid, and private pay.

The laboratory also provides biomedical waste treatment and disposal services and acts as the main support laboratory for the Department of State Health Services which includes providing milk and dairy testing for farmers in the region and providing data related to infectious diseases for identification, vaccine research, and regional surveillance.

Metro Health utilizes the StarLIMS system to document laboratory testing and results, as well as for reporting requirements. Additionally, StarLIMS is used to meet the retention requirements of electronic records.

Metro Health laboratory services are accredited under the Clinical Laboratory Improvement Amendment (CLIA) and the National Environmental Laboratory Accreditation Program. In addition, the laboratory receives regulatory audits every two years for CLIA Certification, annually by the Texas Commission on Environmental Quality and the Laboratory Response Network, and every three years for the Select Agent Program.

Audit Scope and Methodology

The audit scope was fiscal year 2017 through May 2018.

To establish our test criteria, we reviewed state and federal regulations, Metro Health policies and procedures, and grant agreements. To gain an understanding of the internal controls related to lab operations, we interviewed key personnel in the Metro Health's Environmental Health and Safety Division and Finance Division.

As part of our testing procedures, we examined the lab's State and Federal regulatory audits to determine if the issues identified were addressed. Additionally, we verified that policies and procedures were reviewed and updated, and lab personnel had sufficient training and access to protective equipment. We also verified that lab inventory and purchases were maintained in accordance with COSA administrative directives.

Furthermore, we performed tests to ensure that grant reimbursements, revenue collections, and Medicaid payments were complete and accurate. Finally, we tested general and application controls by reviewing the StarLIMS system user access and data backup and recovery procedures. We did not rely on computer-processed data in the performance of this audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

A. Medicaid Submissions

Metro Health established a process for submitting Medicaid claims and resubmissions. However, we identified inconsistencies in the execution and oversight of Medicaid requests.

Although the Medicaid claim amounts are not significant in value, we identified instances where claims were not submitted timely and the reconciliation of payments to claims was not being performed.

According to the Texas Medicaid Provider Procedures Manual, claims must be submitted within 95 days of the date of service. Additionally, providers must track claims submissions against their claims payments to detect and correct all claims errors.

Current policies and procedures lack clear guidance for verifying that all Medicaid claims are submitted within the required timeframe. Additionally, the current system used to intake, process, and track Medicaid patients does not have the ability to post payment remittances to individual accounts, limiting staff's ability to reconcile claims submitted to claims paid.

If Medicaid claims are not submitted timely or tracked for payment status, the City risks losing reimbursement for services performed.

Metro Health is currently working towards implementing a new electronic medical records system which will facilitate the performance of a full reconciliation of claims submitted to claims paid.

Recommendations

Metro Health Management should revise current procedures to ensure all Medicaid eligible claims are submitted and that a reconciliation of claims submitted to payments received is being performed. Additionally, continue working towards the implementation of the new electronic medical records system.

Appendix A – Staff Acknowledgement

Gabriel Treviño, CISA, Audit Manager
Nastasha Leach, CIA, Auditor in Charge
Abigail Medina, CPA, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

P.O. Box 839966
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August 17, 2018

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of San Antonio Metropolitan Health District Lab Operations


San Antonio Metropolitan Health District has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

| Recommendation | | | | | |
|----------------|--|-------------------|-----------------|--|--|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| 1 | Medicaid Submissions Metro Health Management should revise current procedures to ensure all Medicaid eligible claims are submitted and that a reconciliation of claims submitted to payments received is being performed. Additionally, continue working toward the implementation of the new electronic medical records system. | 3 | Accept | Amy Cowley, Department Fiscal Administrator | A. October 1, 2018 B. July 31, 2019 |

| Recommendation | | | | | |
|----------------|--|-------------------|-----------------|---------------------------------|-----------------|
| # | Description | Audit Report Page | Accept, Decline | Responsible Person's Name/Title | Completion Date |
| | <p>Action plan:</p> <p>A. Metro Health has compiled an Insurance Billing Standard Operating Procedure (SOP) that details the process for ensuring all Medicaid eligible claims are submitted timely. Metro Health will finalize and publish the Insurance Billing SOP so that the process surrounding the billing of claims for reimbursement is established. Metro Health's Billing Specialist is currently and will continue to monitor claims submitted to claims paid monthly in order to manually monitor the claim reconciliation process until the new Electronic Health Record (EHR) system is implemented. The position will also continue to manually review, correct, and resubmit any denied claims weekly.</p> <p>B. Upon implementation of the new EHR system, the Billing SOP will be updated to include the EHR's Revenue Cycle Management (RCM) process to include the vendor's role with submitting Medicaid eligible claims and the process for performing claim reconciliation from submission to payment. The new EHR system will contain a full RCM module to include integration with a clearinghouse and payment posting to patient accounts. Batch claims for patients seen by Metro Health will be handled by the EHR vendor's RCM team who will be responsible for ensuring the timely submission of Medicaid eligible claims. Post implementation, Metro Health's Billing Specialist will serve as the primary point of contact for the EHR vendor's RCM team and be responsible for running claim reports to monitor claim management, assist with the re-submission of denials/rejections from Medicaid, and perform the reconciliation of claims from submission to payment.</p> | | | | |

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

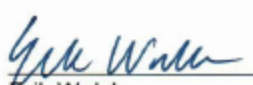
Sincerely,



Colleen M. Bridger, MPH, PhD
Director
San Antonio Metropolitan Health District

8-27-18

Date



Erik Walsh
Deputy City Manager
City Manager's Office

8/28/18

Date

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