

CHAN HEALTHCARE AUDITORS

Computer Assisted Audit Technique Solutions



ABOUT CHAN CAAT SOLUTIONS

CHAN Healthcare Auditors (CHAN) has long been an industry leader in applying Computer Assisted Audit Techniques (CAATs) to the Healthcare Provider audit process. You can leverage CHAN's CAAT professionals to audit more efficiently and effectively without having to learn how to program or use data analysis tools. Our CAAT analysts will make the data request, run the CAAT routines, and provide you with the results. Examples of common CHAN CAAT routines include:

Application	Description						
Revenue Charge Capture	<p>These reviews examine the revenue charge capture process in various hospital service areas and identify potential erroneous charging practices and potential missed charges. The following revenue charge capture reviews are available:</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 40px;">Cath and EP Lab</td> <td>Surgery</td> </tr> <tr> <td>Emergency Room</td> <td>Pharmacy</td> </tr> <tr> <td>Interventional Radiology</td> <td>Oncology</td> </tr> </table>	Cath and EP Lab	Surgery	Emergency Room	Pharmacy	Interventional Radiology	Oncology
Cath and EP Lab	Surgery						
Emergency Room	Pharmacy						
Interventional Radiology	Oncology						
Chargemaster Analysis	This review provides information useful to gauge the completeness, reasonableness and accuracy of the facility's charge description master from a Medicare perspective.						
Accounts Receivable (A/R) Historical Hindsight Review	This review tracks detail transaction activity for all active patient accounts as of a selected AR date. This accumulated information is used to generate a hindsight report that compares general ledger reserves booked for the selected patient accounts receivable to actual transaction activity. This review is useful in identifying under/over reserves at a historical point in time.						
Bad Debt/Charity Go Forward Percentages based on Historical Hindsight review transaction activity	Based on the transaction activity examined during the A/R Historical Hindsight review, write off percentages are produced for bad debt and charity. The historical A/R data is classified and aged to agree with the client's internal reports so that CHAN's calculated percentages (produced by major insurance groupings/financial classes and aging buckets) can be integrated into existing matrices. These reports are useful in the validation of the client's existing matrices or to implement a matrix approach for calculating allowances for doubtful accounts and charity.						
Accounts Payable Analysis	This review performs a variety of analytical tests which may highlight control weaknesses and potential instances of fraud. Standard tests performed include: potential duplicate vendors, potential duplicate vendor payments, gaps/duplicates in check numbers, checks whose amounts do not agree to associated invoices, un-cleared checks over 60 days old, lost discounts, invoices paid early, invoices paid late, credit memos taken late, and checks over specified approval levels. Ad hoc reporting is also available to provide statistical analysis to stratify check amounts, identify round amounts, exact multiples, and frequently used values and / or payees.						
Payroll Review	This review examines payroll master and register files against the following risks: unauthorized changes to payroll master files, duplicate records or ghost employees in the payroll master file, excessive overtime paid, excessive on-call hours paid, excessive amounts of unproductive time paid, excessive PTO balances, ineligible employees accruing PTO, exempt employees receiving premium pay, payments to terminated employees and excessive "Employees On Leave".						
Late Charges	This review identifies charges posted after the "bill-hold" period and after discharge by department and by inpatient/outpatient indicator.						
3rd-Party Payor Review (non-governmental) Underpayment Identification	This review consists of calculating reimbursement using the managed care contract verbiage and comparing the calculated reimbursement to what was actually received. Patients with differences between the calculated reimbursement and the actual received reimbursement are considered exceptions and reported.						

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Denials	This review identifies accounts that may have payment denials by providing reports of patient accounts that have the following: charges posted but no A/R balance and no payment has been received; charges posted but no A/R balance, and payment received is only a small percentage of the total charge amount; an A/R balance but no payment has been received; reference to a denial in the patient account notes. In additional, this review analyzes the facility's use of denial and administrative writeoff codes.
Patient Access (Admitting and Registration) Review	This review examines registration information to identify data input errors, duplicate medical records, multiple medical records, inpatients without a DRG assigned, accounts with zero charges and accounts without ICD-9-CM admitting diagnosis assigned.
Length of Stay	This review identifies inpatient accounts whose length of stay is greater than the CMS DRG mean length of stay. This review also identifies inpatient accounts having a one day length of stay and those discharged on the same day they were admitted. In addition, this review provides summary reports of patient lengths of stay by DRG, financial class, and attending physician.
Accounts Receivable Aging and Analysis	This review re-ages a facility's A/R for comparison with the facility's aged trial balances. In addition, this review identifies accounts with significant A/R balances (both debit and credit), identifies date issues which may affect proper account aging (e.g., invalid discharge dates, missing admit dates, missing discharge dates for I/P).
Fraud Detection Using Digital Analysis	This review uses Digital Analysis and Benford's Analysis to subject data (typically Accounts Payable or Payroll) to a sequence of tests for the purpose of uncovering errors and anomalies to detect fraudulent transactions. In addition, this review can help identify data errors, unique transactions, and weaknesses in internal controls and operating environments.
Invalid Social Security Numbers	This review identifies invalid social security numbers.
Lab Compliance Review	This review identifies Medicare outpatient patient accounts with potential Correct Coding Initiative (CCI) edit errors and/or invalid physician UPIN/NPI numbers. The testing also includes a Charge Description Master (CDM) review of laboratory pricing and valid lab CPT codes. A series of samples is selected for patient accounts with pathology tests.
Credit Balances	This review provides an aging of credit balances by financial class, credit balances over 180 days from last transaction date, credit balances with zero payments , governmental credit balances over 90 days from last transaction date and greater than \$1,000, and credit balances with zero charges.
Same Day Readmissions	This review identifies patients who were discharged and subsequently re-admitted on the same day to determine either a quality of care or transfer versus discharge issues.
Three-Day Rule	This review determines whether non-professional outpatient services provided to a patient three days prior to an inpatient admission are combined with the inpatient bill when appropriate.
One-Day Hospital Stays	This review identifies patients with one-day stays to determine if inpatient admissions are medically necessary.
Transfers in Lieu of Discharges	This review identifies patients that may have been coded incorrectly as a discharge rather than a transfer based on CMS regulations.
Recovery Audit Contractor Readiness	This review involves performing some of the same automated analysis that a RAC auditor would likely perform. The data analysis tool developed will report those records with anomalies and/or trends that may require further research to determine if the hospital truly has issues. This research normally includes pulling a sample of patient medical records and reviewing documentation.

CONTACT CHAN

To find out more about CHAN's CAAT Solutions, contact Tom Tharp, Director of IT Audit at 314.802.2090.