



MEMORIAL REGIONAL HOSPITAL • MEMORIAL REGIONAL HOSPITAL SOUTH • JOE DIMAGGIO CHILDREN'S HOSPITAL
MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

DATE: July 31, 2022

TO: K. Scott Wester, President and Chief Executive Officer, MHS

**SUBJECT: AUDIT AND COMPLIANCE – FIRST QUARTERLY REPORT
FISCAL YEAR 2023**

Attached is a copy of the first quarterly report of fiscal year 2023 summarizing the activities of the Internal Audit and Compliance Department from May 1, 2022, through July 31, 2022, for your records.

Please let me know if you have any questions regarding this report.

A handwritten signature in black ink, reading 'Denise D. DiCesare'.

Denise (Denny) DiCesare
Chief Compliance and Internal Audit Officer

cc: Leah Carpenter, Executive Vice President and Chief Operations Officer, MHS
Matt Muhart, Executive Vice President and Chief Strategy Officer, MHS
Dave Smith, Executive Vice President and Chief Financial Officer, MHS
Frank Rainer, Senior Vice President and General Counsel, SBHD

I. WRITTEN STANDARDS AND PROCEDURES

The following policies and procedures were reviewed and/or revised during the quarter:

Reviewed:

- Drug and Smoke Free Workplace.

Revised:

- Charity Contributions and Grants.

II. COMPLIANCE OFFICER

The compliance officer attended the following meetings during the quarter:

- American Hospital Association - Chief Compliance Officer's Roundtable: One Session

III. TRAINING AND EDUCATION

The following compliance training was provided during the quarter:

- New Employee Orientation: Ten Sessions
- Compliance Working Committee: One Session

IV. MONITORING & AUDITING

V. RESPONSE & PREVENTION

A. Internal Audit

Assistance Provided to RSM for Memorial Healthcare System's FY 2022 Audit

Background

As part of the annual financial audit, we provide audit assistance as directed by RSM US LLP (RSM), our external auditors.

We performed walkthrough testing of key business processes including payroll; prepaid expenses; fixed assets and depreciation; and purchases, payables, and payments. We also performed substantive testing of samples of payroll; fixed assets and construction in progress additions; patient revenue; accounts receivable hindsight; operating expenses; charity and financial assistance; and credit balances.

The purpose of this internal audit report was to summarize the results of the audit assistance provided.

Observations

There were no exceptions noted or recommendations made.

Recommendations

None.

South Broward Hospital District Construction Projects

Twenty payment vouchers for 11 construction projects were audited during the quarter, as shown on Exhibit A. No irregularities were found during these audits.

South Broward Hospital District Requests for Proposal and Competitive Quotes

Seven Requests for Proposal and 30 Competitive Quotes were audited during the quarter, as shown on Exhibit B. No irregularities were found during these audits.

Board Expenses

Board Expenses were audited during the quarter. The list of expenses audited for the quarter will be presented and discussed during the meeting.

B. Compliance

Compliance Audit of the 340B Program at Memorial Healthcare System - FY 2023 First Quarter

Background

The 340B Program is administered and overseen by the Health Resources and Services Administration (HRSA) which is within the Health and Human Services Department (HHS). The 340B Drug Pricing Program requires drug manufacturers to provide outpatient drugs to eligible health care organizations/covered entities at significantly reduced prices. The 340B Program allows covered entities to extend limited federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Eligible health care organizations are defined by statute. To participate in the 340B Program, eligible organizations must register and be enrolled with the 340B Program and comply with all the requirements. The requirements include maintaining an up to date 340B database; recertifying eligibility every year; and preventing duplicate discounts by having mechanisms in place to prevent receiving a 340B price and a Medicaid drug rebate for the same drug. Covered entities must accurately report how they bill Medicaid drugs on the Medicaid Exclusion File and prevent diversion by not reselling or transferring 340B drugs to ineligible patients. Covered entities are subject to audit by manufacturers or the federal government. Any covered entity that fails to comply with 340B Program requirements may be liable to manufacturers for refunds of the discounts obtained. To be eligible to receive 340B-purchased drugs, patients must receive health care services other than drugs from the 340B covered entity. The patient is treated in a hospital-based mixed-use area, a location serving patient type of both inpatients and outpatient, and is classified as an outpatient by Memorial Healthcare System's (MHS) Electronic Health Record system at the time of administration of the medication, and has an eligible medication order or prescription. An individual may receive a 340B drug in connection with treatment rendered outside the covered entity if the treatment is proximate in type and time to prior services provided by the covered entity. A non-hospital prescription is proximate in type and time to hospital-based services if the prescription or refill is presented within an appropriate timeframe of the MHS encounter and the prescriber's services are part of the same continuum of care as the prior hospital encounter. A continuum of care exists if MHS makes a referral to the outside provider for follow-up care and there is an established patient care relationship with MHS. Infusion orders that are written outside of MHS but are infused in MHS or at a registered child site are 340B-eligible because MHS hospitals are responsible for the infusions provided to patients by a MHS healthcare professional, regardless of where the order is written. The only exception is patients of state-operated or -funded acquired immunodeficiency syndrome drug purchasing assistance programs. Generally, the 340B Program covers the following outpatient drugs: Food and Drug Administration (FDA)-approved

prescription drugs; over-the-counter drugs written on a prescription; biological products that can be dispensed only by a prescription (other than vaccines); or FDA-approved insulin.

Memorial Healthcare System (MHS) participates in the 340B Program for Memorial Regional Hospital (MRH) which includes Memorial Regional Hospital South (MRHS) and Joe DiMaggio Children's Hospital (JDCH); Memorial Hospital Pembroke (MHP); Memorial Hospital West (MHW); and Memorial Hospital Miramar (MHM). In order to manage the 340B Program, MHS uses split-billing software from Verity Solutions Group. The Verity Solutions application helps MHS determine what each pharmacy needs to purchase at the 340B price. Replenishment is accumulated each time a drug is administered to an outpatient and it meets all the program compliance checks. The purpose of this audit was to determine if MHS is in compliance with the HRSA 340B Program requirements at each of the six Memorial hospitals.

Observations

Of the 240 pharmacy claims reviewed, there were five pharmacy claims with a location that was not listed on the eligible locations at the time of the audit. According to Ms. Soto, the pre-admission testing (PAT) location is 340B-eligible. However, the five claims occurred in the surgical area, which is also a 340B-eligible location, instead of the PAT location. The clinicians, when removing the medications from the Automated Dispensing Cabinet (ADC/Pyxis medication system), selected the patient's PAT account instead of the outpatient surgical account. These led to the five pharmacy claims duplicating medication charges with the ADC overrides, and therefore, accumulating 340B dispensations twice. These observations were discussed with Ms. Soto and Ms. Antonopoulos. Subsequent to this audit, the five pharmacy claims determined with duplicate charges were corrected.

Recommendations

We recommended to review the accounts with PAT locations for the same time period, audit for duplicate medication charges and correct, if necessary. We recommended to include Epic review of ADC stations set up and monitor ADC overrides for 340B medications to avoid double charges. We recommended to set up parameters for target audits specific to PAT locations as well as increased oversight over mixed use to audit based on hospital locations.

Dorinda Segovia, Vice President, Pharmacy Services, MHS and Scott Davis, Vice President, Reimbursement and Revenue Integrity, MHS agreed with the finding and recommendations and have provided an action plan.

Compliance Audit of Documentation and Billing of Pembrolizumab 1 mg Injection in the Memorial Cancer Institute at Memorial Regional Hospital

Background

The Memorial Cancer Institute (MCI) at Memorial Regional Hospital (MRH) provides services such as chemotherapy and immunotherapy to patients with different types and stages of cancer. Pembrolizumab is an immunotherapy in a class of medications called monoclonal antibody that binds to either programmed death receptor-1 (PD-1) or the programmed death ligand1 (PD-L1) which acts as substitute antibodies that can restore, enhance or mimic the immune system's attack on cancer cells. It can be used alone or in combination with other therapeutic agents (medicines) that work with the immune system to kill cancer cells. It is approved by the Food and Drug Administration (FDA) for intravenous (IV) injection use for the treatment of different types of

cancers such as skin cancers, head and neck cancers, breast and lung cancers, gastrointestinal cancers, bladder, and reproductive system cancers, and lymphoma. Pembrolizumab is packaged in a single-use vial of 100mg/4ml. The recommended dosages are 200mg every three weeks or 400mg every six weeks infused over 30 minutes. Treatment should continue until disease progression, unacceptable toxicity, or up to 24 months. It is not recommended to reduce dosage, only withhold for severe adverse reaction or permanently discontinue for life threatening adverse reactions.

Pembrolizumab is a high-cost drug that Memorial Healthcare System (MHS) purchases at a significantly reduced price through the 340B Drug Pricing Program. Centers for Medicare & Medicaid Services (CMS) established Healthcare Common Procedure Coding System (HCPCS) modifier JG to identify and report 340B-acquired drugs or biologicals when billing outpatient drugs. Outpatient drugs administered to Medicare beneficiaries are reported using the standardized codes called HCPCS and report units of service to cover the cost of the drug only. Correct payment depends on properly and accurately reporting the correct HCPCS codes and units of service. Based on the HCPCS J9271 code descriptor, 1 mg is equal to one unit billed. According to the American Medical Association's (AMA) Current Procedural Terminology (CPT) Manual, when billing the medical procedural codes for drug administration, use the actual time over which the infusion is administered. The standard clinical practice is to document the actual start and stop times or total times in the patient's medical records. Pembrolizumab is infused over 30 minutes and coded with a CPT code 96413, chemotherapy administration, intravenous infusion technique up to one hour, single or initial substance/drug.

The MHS's Compliance and Internal Audit Department received a Comparative Billing Report, an educational letter from First Coast Service Options, Inc. (FCSO), our Medicare Administrative Contractor (MAC), indicating that their recent data analyses identified that an aberrancy existed at MRH from December 1, 2020, through November 1, 2021, for HCPCS J9271, Injection, Pembrolizumab 1 mg. In response to this notice, the Compliance and Internal Audit Department performed an audit of the only location with charges for HCPCS code J9271, the MCI at MRH. The purpose of this audit was to determine if documentation supports medical necessity, accuracy of coding, charging, and billing for Pembrolizumab 1 mg injection administration in the MCI at MRH.

Observations

All 29 accounts with 192 encounters reviewed had physician orders and appropriate documentation to support medical necessity for Pembrolizumab administration. The medical record documentation for all 192 encounters had the appropriate patient's diagnosis with the ordered dosage and the frequency of administration. The start and stop time of medication was recorded on the Medication Administration Record (MAR) for all 192 encounters. All 192 encounters had the required HCPCS JG modifier documented appropriately. All 192 encounters with J9271 were coded, charged, and billed the correct units of medication administered. Also, the medical procedural codes for drug administration CPT code 96413 were coded, charged, and billed correctly.

Recommendations

None.

Peter Powers, Administrator and Chief Executive Officer, MRH, and Walter Bussell Chief

Financial Officer, MRH, agreed with the findings and recommendations of this audit and have provided an action plan.

Compliance Audit of Documentation and Billing of Strapping, Unna Boot in the Wound Care Center at Memorial Hospital Pembroke

Background

Unna boot is a paste bandage which consists of gauze that has been impregnated with zinc oxide, gelatin, glycerin, and sometimes calamine. The bandage is applied to the leg from the toe to the knee by overlapping wraps of impregnated gauze forming a semi rigid soft cast. The Unna boot bandage restricts the volume of the leg, controls edema, and encourages more normal prograde venous blood flow with reduction in the subcutaneous blood pressure. The net effect is improved healing of venous stasis ulcers of the lower extremities. First Coast Service Options, Inc. (FCSO), our Medicare Administrative Contractor (MAC), had a Local Coverage Determination (LCD) titled “Strapping” that was retired on July 23, 2020. According to the retired LCD, the use of the Unna boot bandage will be considered medically reasonable and necessary for the following indications: to treat venous vascular insufficiency; for the treatment of ulcers with and without inflammation of the lower extremities which are caused by increased venous pressure, venous insufficiency, or capillary dysfunction; and for the management of sprains, strains, dislocations and minor fractures. Although the LCD is retired, the indication and limitation for the Unna boot holds true as the mechanism of action and the medical benefit derived from the therapy remains the same. Currently, Medicare covers the Strapping, Unna boot under the LCD “Wound care”. Medicare coverage for wound care on a continuing basis is contingent upon evidence documented in the patient’s medical record that the wound is improving in response to the wound care being provided. At a minimum, the documentation must include the current wound volume; presence or absence of obvious signs of infection; presence or absence of necrotic, devitalized, or non-viable tissue; and other material in the wound that is expected to inhibit healing or promote adjacent tissue breakdown. The medical record must have a plan of care containing treatment goals and physician follow-up. The LCD also mentioned that the application of Unna Boot may be useful adjuncts to wound care management.

Memorial Healthcare System’s (MHS) Compliance and Internal Audit Department received a Comparative Billing Report (CBR), an educational letter from FCSO, indicating that their recent data analyses have identified an aberrancy exists at Memorial Hospital Pembroke (MHP) for Current Procedural Terminology (CPT) code, 29580, Strapping, Unna Boot for dates of service October 1, 2020, through September 1, 2021. In response to this notice, the Compliance and Internal Audit Department performed an audit of the only location at MHP with charges for CPT code 29580, the Memorial Center for Wound Healing and Hyperbaric Oxygen Therapy (Wound Care Center/WCC) at the MHP. With this background, the purpose of this audit was to determine if documentation supports medical necessity for Strapping, Unna Boot and the accuracy of coding, charging and billing in the Wound Care Center at Memorial Hospital Pembroke.

Observations

We reviewed a total of 30 accounts with 106 dates of service. One out of 106 dates of service did not meet medical necessity for wound care services per Medicare Wound Care LCD. According to the LCD, presence of a wound meets criteria for wound care services and not for lymphedema which is covered by Medicare under a different LCD. Also, out of 106, there were 105 dates of

service with detailed medical record documentation of wound type, size, location, description, and evidence of improvement. One date of service was missing documentation from the medical provider for the Evaluation and Management (E&M) service; and was also missing the documentation from the wound care nurses for the wound care service. Of the 106 dates of service reviewed, there were 86 dates of service coded for procedure 29580. Eleven of the 86, were coded appropriately for the procedure performed. One of 86 dates of service did not meet criteria for the wound care service but is covered under a different LCD as previously mentioned. Seventy-four of 86 dates of service had the incorrect CPT code for the procedure performed according to medical record documentation. Also, we noted five of the 106 dates of service had wound care procedures other than the Unna boot strapping, and were coded, charged, and billed appropriately. There were 21 of 106 dates of service coded, charged and billed with E&M services, of which 20 were appropriate since one date of service was missing documentation for the E&M service provided as previously mentioned. Of the 20 dates of service with E&M services, seven were reported with modifier 25 and were supported by medical record documentation that the services were separately identifiable, reasonable, necessary and distinct from the wound care service provided as the encounter were for establishing new patient consultation and providing wound care service. There were nine dates of service coded and charged for chemical wound cautery performed on the same day as the Unna boot strapping and should not have been reported separately. Subsequently, Medicare did not reimburse for the wound cautery procedure which was appropriate.

Recommendations

We recommended WCC management reeducate providers on the medical necessity for wound care services as per Wound Care LCD. We recommended WCC management reeducate nurses on the completeness of medical record documentation. We recommended WCC leadership team conduct timely and regular audits on medical record documentation for patient encounters. We recommended Accounts Receivable Management (ARM) review the identified account which did not meet medical necessity for wound care services and the one date of service with missing documentation for the encounter and refund, if necessary. We recommended WCC management reeducate nurses on the difference between procedures strapping Unna boot and the application of a multilayer compression dressing. We also recommended reeducating nurses on wound care LCD that second wound care services such as chemical wound cautery should not be reported as a separate procedure. We recommended ARM review the identified accounts with incorrect CPT codes for claim correction or refund, if necessary. We recommended WCC management work with the facility CEO and CFO to disclose audit findings on the incorrect CPT code claims to Medicare as part of the self-initiated audit performed in response to the CBR received from FCSO, even though CPT codes 29580 and 29581 are assigned to the same APC Group, as they have similar characteristics and costs. As such, there was no overpayment and no reimbursement difference from Medicare.

Stephen Demers, Chief Executive Officer, MHP, and Patrick Connor, Chief Financial Officer, MHP, agreed with the findings and recommendations of this audit and has provided an action plan.

Compliance Audit of Level Two Evaluation and Management Facility Charges in the Emergency Department at Memorial Regional Hospital

Background

The Centers for Medicare and Medicaid Services (CMS) requires hospitals to report facility

resources used for emergency department (ED) visits by use of Current Procedural Terminology (CPT) evaluation and management (E/M) codes. Facility coding guidelines are different from professional coding guidelines. Facility coding reflects the volume and intensity of resources utilized by the facility to provide patient care, whereas professional codes are determined based on the complexity and intensity of provider performed work which include the cognitive effort expended by the provider. There is no national standard for hospital assignment of ED facility E/M codes, so CMS instructed hospitals to develop their own internal guidelines for reporting E/M facility codes for ED encounters.

According to the Memorial Healthcare System's (MHS) ED facility charge calculator point guidelines, facility fees are designed to capture charges based on the intensity of patient care and the typical resources needed for each patient. The acuity classification system is defined by the number and types of interventions required to care for the patient. The costs associated with nursing care account for a large portion of the E/M facility fee. The acuity classification criteria range from simple re-check (level one) to trauma care (level seven). E/M ED facility charges are based on a point system, automatically calculated according to the established criteria and a point value attached to each qualifying service documented. Point calculation is dependent on the accurate and comprehensive documentation of the ED services by the providers and nurses. If services are not properly documented, the E/M facility charge could result in reporting a higher or lower level affecting reimbursement. This audit was focused on ED visit, level two which comprised of a point system of 20-59.

The MHS's Compliance and Internal Audit Department received a Comparative Billing Report, an educational letter from First Coast Service Options, Inc. (FCSO), our Medicare Administrative Contractor (MAC), indicating that their recent data analyses identified that an aberrancy existed at Memorial Regional Hospital (MRH) from September 1, 2020, through August 1, 2021, for ED facility E/M code CPT 99282, ED visit, low to moderately severe problem. In response to this notice, the Compliance and Internal Audit Department performed an audit of charges for CPT code 99282, level two which comprises of the point value of qualifying services from 20-59 at MRH. The purpose of this audit was to determine the medical necessity of the services provided; and determine if documentation supports the level two E/M ED facility charge for CPT code 99282 at MRH.

Observations

All 30 accounts had appropriate documentation to support medical necessity of the services provided during the ED visit. All 30 accounts had completed ED notes signed and dated by the ED Physician or by Non-Physician Practitioners (NPPs), which were also cosigned by the ED physician concurring with the NPPs's documentation. Orders for medication administration or laboratory testing when necessary, disposition prescription when necessary and appropriate disposition were documented by the providers. All 30 accounts had triage, initial assessment, and ongoing assessment when medically necessary, disposition and patient education documented by nurses. One of 30 accounts had incomplete documentation for visual acuity which has a ten point value attached. The incomplete documentation caused the facility charge calculator point to increase by ten points; however, it did not make a difference in the E/M ED facility level charged. Randi Alfonzo, Director of Nursing ED Service and MHS Disaster, Emergency Room at MRH will reeducate the specific nurse and the staff on appropriate and complete documentation of visual acuity. We noted a routine neurological assessment had a 20-point value attached. When

neurological assessment is completed by nurses, it could make a difference in the E/M ED facility level charge. According to Randi Alfonzo, neurological assessment is routine for ED patients, due to the Level I trauma center documentation requirements. There were three accounts that had a neurological assessment documented by nurses which increased the points calculated, however, it did not affect the level of E/M ED facility charges. Although we are following the guidelines set by MHS, subsequent to this observation, Tiffany Cook, Director, Charge Management, Corporate Finance, and Jay Chua, Application Architect, Information Technology Administrator for MHS have agreed to review and make necessary adjustments to the current MHS point value and guidelines for calculating an E/M ED facility charge. Modifier CS was used appropriately for accounts with COVID-19 testing-related services. All accounts were coded, charged, and billed appropriately based on the established MHS point-value and guidelines for calculating an E/M ED facility charge and consistent with CMS guidelines.

Recommendations

We recommended ED management reeducate all nurses on appropriate and complete documentation of visual acuity. We recommended ED management reeducate nurses on the MHS “Patient Care Services Guidelines for Clinical Documentation; electronic medical record (EMR)” policy and procedure. We recommended Corporate Finance review and make the necessary adjustments to the current MHS point value and guidelines for calculating an E/M ED facility charge.

Peter Powers, Administrator and Chief Executive Officer, MRH, and Walter Bussell Chief Financial Officer, MRH, agreed with the findings and recommendations of this audit and have provided an action plan.

Compliance Audit of the Immunization Program at Memorial Miramar Outpatient Pharmacy

Background

Effective January 27, 2020, the 2019 novel coronavirus (COVID-19) was declared a public-health emergency (PHE) for the United States (US). One of the key components in the federal government’s response is for access to COVID-19 vaccines across the US. Under Florida Statutes (FS) 465.189 certified pharmacists and registered pharmacy interns under the supervision of a certified pharmacist are allowed to administer immunizations or vaccinations listed in the Adult Immunization by the Centers for Disease Control and Prevention (CDC), vaccines recommended for international travel, those licensed for use or which have been authorized for emergency use by the Food and Drug Administration (FDA) and lastly, the vaccines approved by the board in response to a state of emergency declared by the Governor. Memorial Healthcare System (MHS) initiated the Pharmacist Immunization Program in February 2021. Under the MHS policy, certified immunizing pharmacists and pharmacy interns employed by MHS may administer vaccinations to eligible persons without a written order pursuant to a protocol in accordance with the current CDC/Advisory Committee on Immunization Practices (ACIP) guidelines, FS 465.189 or when provided with a prescription from an eligible provider. The Immunization Program involves MHS Community Pharmacy, which includes Pembroke Road Pharmacy, Hallandale Pharmacy, Miramar Outpatient Pharmacy (OPP) and West OPP. For this audit, we focused on the Miramar OPP location. The purpose of this audit was to determine if the Immunization Program at Memorial Miramar Outpatient Pharmacy is in accordance with the Florida Statutes for vaccine administration

by Pharmacy and determine if the services are coded, charged, and billed correctly.

All pharmacists and registered pharmacy interns participating in the immunization program at the Miramar OPP are credentialed to immunize by the Florida Board of Pharmacy and have a valid Basic Life Support (BLS) license. The MHS Pharmacy Services has a written protocol that detailed the terms, scope, and conditions for immunizations by the trained and credentialed pharmacist or registered pharmacy intern (both will be referred as the immunizers) under the supervision of Dr. Paula Eckardt. We verified that the immunizers are active employees of MHS for the time period in our audit and are covered under the Certificate of Liability Insurance for the South Broward Hospital District that includes Memorial Miramar OPP. We verified the participating immunizers' written acknowledgment of reading the MHS Pharmacist Immunization Program Policy and the MHS Pharmacy Immunization Handbook. We verified records of Miramar OPP enrollment in the Vaccines for Children/Adults (VFC/VFA) Program to become a vaccine provider and registration with the Florida State Health Online Tracking System (SHOTS).

Observations

We reviewed a total of 48 vaccination records at the Miramar OPP. All 48 vaccinations reviewed had adult immunization screening, vaccine administration record, Vaccine Information Statements (VIS) publication date, name of the pharmacist or registered pharmacy intern who administered the vaccine, ordering or requesting provider, National Drug Code (NDC) including Manufacturer/Lot number and expiration date of the vaccine. Out of 48 vaccinations, there were three vaccination records that were missing the consent forms for the immunization. Also, we noted an opportunity for improvement with one Zoster vaccination that was missing the scanned vaccine administration form in Epic Willow Ambulatory (WAMB). However, the same Zoster vaccination is noted as given in the immunization history in Epic Hyperspace. Other opportunities for improvement include documentation for three vaccinations showing the immunizing pharmacy intern in the scanned vaccine administration form while another pharmacist or pharmacy technician was logged into the system. All vaccinations administered were reported to Florida SHOTS as verified from the vaccine utilization report. All 48 vaccinations reviewed were coded, charged, and billed appropriately using the National Council for Prescription Drug Programs, Inc. (NCPDP) format for pharmacy billing.

The Memorial Pharmacy Services "Pharmacist Immunization Handbook", and the "Eleventh Revised Protocol for Immunizations by Pharmacy" details standard physical requirements including supplies, vaccine storage and handling requirements that must be met at each pharmacy to administer vaccines. It is with these standards that our audit included an on-site visit of the location address to verify compliance with their protocol. We verified standard physical requirement and supplies were readily available, except for the refrigerator assigned to the storage of vaccine products that was not connected to an electrical outlet (red outlet) powered by a back-up generator in case of power loss and the absence of an eye wash station and bottles of eye wash saline. For documentation, the Protocol for Immunizations states that immunization information is entered in Epic and in the Florida SHOTS and the written Immunization Screening and Consent Forms are retained.

Recommendations

We recommended Pharmacy management enhance Standard of Practice (SOP) to indicate that immunizer ensures consent is in Epic Hyperspace for COVID vaccinations and scanned in Epic

WAMB for non-COVID vaccinations prior to administration. We recommended to update SOP to indicate that immunizer should be scanning consent and administration forms while being logged into the system. We recommended pharmacy management address access for back-up generator power with upper management. We recommended pharmacy management stock OPP with eyewash bottles to comply with existing policy and meet Occupational Safety and Health Administration (OSHA) requirements. We recommended the current protocol be updated at the next revision to clarify that the completed Audit Immunizations Screening and Consent form is retained in Epic.

Dorinda Segovia, Vice President, Pharmacy Services, MHS, Sergio Santos, Admin Director-Finance-Ancillary Services, Corporate Finance, MHS, agree with the findings and recommendations and have provided an action plan.

Compliance Audit of Documentation, Coding and Billing of Balloon Dilation of the Esophagus, Stomach, and/or Upper Small Bowel Procedure at Memorial Regional Hospital

Background

Upper gastrointestinal endoscopy or Esophagogastroduodenoscopy (EGD) is performed with a lighted, flexible, fiberoptic instrument passed through the oral cavity to examine, obtain samples and treat pathological conditions. A diagnostic EGD allows the examiner to visualize abnormalities detectable by the technique and to photograph, biopsy, and/or remove lesions as appropriate. The purpose of the therapeutic EGD is to manage hemorrhage; remove foreign bodies and neoplastic growths; to relieve obstruction due to stricture, malignancy, or other causes through dilatation or the placement of stents; and to assist in the placement of percutaneous gastrostomy tubes. First Coast Service Option Inc. (FCSO) our Medicare Administrative Contractor (MAC), has a Local Coverage Determination (LCD), "Diagnostic and Therapeutic EGD" which describes the conditions that EGD will be considered medically reasonable and necessary for diagnostic and therapeutic purposes. Dilatation of strictures may be accomplished with a balloon placed through the endoscope and inflated using hydrostatic pressure. Esophageal dilation is performed after a definitive diagnosis has been established in patients exhibiting dysphagia.

Current Procedural Terminology (CPT) code 43249 is coded for the Esophagogastroduodenoscopy, flexible, transoral; transendoscopic balloon dilation of esophagus less than 30 mm diameter. Biopsies are often performed when medical necessity is indicated. CPT code 43239 EGD with biopsy, single or multiple is reported for this procedure. CPT guidelines permit the reporting of multiple endoscopy codes on the same date of service, as appropriate. An XU modifier is attached indicating Unusual Non-Overlapping Service. Both codes, however, include upper gastrointestinal diagnostic endoscopy service and payment adjustments should be expected for the duplicative portion.

Memorial Healthcare System (MHS) Compliance and Internal Audit Department received a Comparative Billing Report, an educational letter from FCSO, indicating that their recent data analyses have identified an aberrancy exists at Memorial Regional Hospital (MRH) for CPT code 43249, Balloon Dilation of the Esophagus, Stomach, and/or Upper Small Bowel for dates of service November 1, 2020, through October 1, 2021. In response to this notice, the Compliance and Internal Audit Department performed an audit at MRH for Medicare accounts with charges for CPT code 43249. The purpose of this audit was to determine if documentation supports medical necessity for Balloon Dilation of the Esophagus, Stomach, and/or Upper Small Bowel and the

accuracy of coding, charging, and billing at MRH.

Observations

All accounts met medical necessity for the procedure according to the Medicare LCD. The medical record documentation supported CPT code 43249 charged on all accounts. We also noted that the medical record documentation supported additional procedure codes which were appropriate. All of the coding and billing were correct except for one account. There was a code for the guidewire on one account which was inherent to the procedure and should not be reported separately. This appears to be an isolated error but had no effect on reimbursement. The accounts were paid appropriately.

Recommendations

None.

Peter Powers, Administrator and Chief Executive Officer, MRH and Walter Bussell, Chief Financial Officer, MRH agreed with the findings.

Compliance Audit of Documentation and Billing of Injection of Anesthetic and/or Steroid Drug into Sacral Spine at Memorial Regional Hospital South

Background

An epidural steroid injection (ESI) is a non-surgical minimally invasive procedure used for the treatment of chronic and acute back and neck pain to help reduce or alleviate pain caused by inflammation of the spinal nerves. ESIs must be performed under computed tomography (CT) or fluoroscopy image guidance with contrast to confirm the correct placement of the injection which are inclusive components and are not reported separately. The goal of an ESI is to reduce pain so that the patient may resume normal activities and pain relief may last for several days or even years. An assessment of the procedure's outcome depends on the patient's subjective and objective responses; therefore, documentation must include pre- and post-procedure evaluations using the same objective pain measurement scale, and patient education. If a positive response is not obtained from a series of injection, then repeating another series at that level is considered not medically necessary.

Memorial Regional Hospital South (MRHS) charges and bills the technical portion for the procedure and the physician charges and bills for professional services. First Coast Service Options, Inc. (FCSO), our Medicare administrative contractor, had a superseded Local Coverage Determination (LCD) and a current LCD to provide guidance for indications and limitations of coverage and medical necessity criteria for the multiple approaches of ESI. The MHS's Compliance and Internal Audit Department received a Comparative Billing Report from FCSO indicating that an aberrancy existed at MRH from October 1, 2020, through August 1, 2021, for Current Procedural Terminology (CPT) 64483, Injection of Anesthetic and/or Steroid Drug into Sacral Spine at Memorial Regional Hospital (MRH). In response, the Compliance and Internal Audit Department performed an audit to determine if documentation supports medical necessity and the accuracy of coding, charging and billing of the only location with charges for CPT code 64483, the Surgical Services at MRHS.

Observations

We reviewed a total of 30 dates of service according to the LCD guidelines in effect during the

time frame of the comparative billing accounts. All of the 30 dates of service met medical necessity, had supportive documentation of the procedure performed including the reason for the procedure and the use of fluoroscopy image guidance with injections of contrast to confirm correct needle placement as required. All dates of service had the correct procedure start and end times documented. We noted inconsistency in documenting the patient's subjective description of the pain and objective assessment using the same scale for pre- and post-evaluation of pain.

For the current LCD, we reviewed a total of 10 accounts to ensure compliance with the required medical necessity, limitation, covered indication, and documentation. All 10 dates of service met medical necessity with supporting documentation and LCD pre-procedure requirements. According to CMS physical examination (H&P) must be completed within 30 days prior to surgery or procedure. One date of service had H&P completed more than 90 days prior to the admission date however, the surgical H&P update documented on the date of service attesting that the current medical status has not changed since the prior H&P completed within 30 days prior to admission. The pre-procedure pain assessment and post-procedure percentage of pain relief achieved immediately post-injection was not documented on the operative procedure note as required. Three of 10 dates of service had documented monitored anesthesia care (MAC) which is considered medically unreasonable and unnecessary. We noted inconsistency in documenting the pre- and post-procedure pain evaluation.

ESIs are charged based on Operating Room (OR) time. All accounts had the correct OR time entered and the correct CPT code 64483 attached to the OR time charges and the required modifiers indicating that the procedure was performed on the right, left, or bilateral side. All accounts with MAC were charged and billed, but not reimbursed by Medicare which was appropriate. All 40 dates of service were coded, charged, billed, and reimbursed by Medicare appropriately.

Recommendations

We recommended the Director of Billing and Compliance, Memorial Physician Group (MPG) reeducate the ESI performing providers on the current LCD guidelines and documentation requirements. We recommended that the Medical Director of MPG Physical Medicine and Rehabilitation, and Director of Billing and Compliance, MPG reeducate ESI performing providers on the completeness of medical record documentation including current H&P as required. We recommended surgical services management update the templated operative procedure note documentation in Epic to include pre-procedure pain assessment and post-procedure pain relief achieved immediately post-injection to meet the current LCD requirement. We recommended the surgical services management work with the medical director to reeducate providers on the updated operative procedure note. We recommended Director of Billing and Compliance, MPG reeducate the ESI performing provider's office staff on the two-week post-procedure follow-up pain assessment documentation to be accurately completed and concurrent with the current LCD requirements. We recommended Medical Director of MPG Physical Medicine and Rehabilitation and Director of Billing and Compliance, MPG review and reeducate ESI performing providers on the current LCD guidelines and requirements regarding anesthesia use.

Douglas A Zaren, Chief Executive Officer, MRHS, David Webb, Chief Financial Officer, MRHS, Mario Salceda-Cruz, Chief Operating Officer, MPG and Esther Surujon, Chief Financial Officer, MPG, MPC & UCC agreed with the findings and recommendations of this audit and will provide an action plan, which will be attached.

Compliance Audit of Neurology and Neurosurgery Evaluation and Management Services at Memorial Physician Group Professional Coding and Billing

Background

Memorial Neuroscience Institute has a multidisciplinary team of providers that includes neurologists, neurosurgeons, and other subspecialties which offers comprehensive treatments for complex neurological conditions such as stroke, epilepsy, multiple sclerosis, headaches, and spinal disorders. Physician services are the professional services including diagnosis, therapy, surgery, consultation, and care plan oversight. A medically reasonable and necessary evaluation and management (E/M) visit documents the patient's medical needs and medical decisions on the appropriate measures of care for specific clinical circumstances. Billing for an E/M service requires the selection of a Current Procedural Terminology (CPT) code that best represents a patient type, place of service, and level of E/M service performed. Place of service can be the physician's office or other outpatient facility, hospital inpatient, Emergency Department (ED) and telemedicine. Modifiers are appended on a claim for additional information. Advanced Practice Registered Nurses (APRNs) can report services independently, under the incident-to guidelines or shared/split visit guidelines. A visit provided by a teaching physician with a resident physician aiding in patient care is billed using an appropriate modifier. Physician and teaching physician E/M services can be provided through telehealth. Telehealth billing codes are based on the provider's documentation that the telecommunications used was either audio-video or audio only and appended using an appropriate modifier. The purpose of this audit was to determine whether documentation & coding complied with the Medicare requirements when billing for Neurology and Neurosurgery E/M services.

Observations

We reviewed 217 E/M services accounts for 21 physicians and three APRNs. Of the 217 E/M services, 41 were teaching physician services, 31 were telehealth services, two were telephone services, four were incident-to services, and 25 were shared services. We noted that there are E/M, billing compliance, teaching physician/GME, incident-to, and shared/split services policies and procedures for all MPG physicians. We also noted that there are no policies for telehealth visits. We noted that for 127 accounts, the E/M CPT codes were appropriate for the services provided. There were 11 accounts coded at two or more E/M service levels higher than the documentation supported. We noted that the documentation for 43 accounts supported a different CPT code. We noted that the documentation for 34 accounts were insufficient to support billing for services. There were 10 accounts for services provided at a non-Memorial nursing home without the capability to interface with Memorial's Epic Electronic Health Record (EHR) so the medical record documentation was scanned in Epic. We noted the visit frequency, CPT and place of service codes were not appropriate for nursing home visits and the documentation scanned was insufficient to determine the appropriate CPT codes. We noted that 36 of the 41 teaching physician services accounts met the Center for Medicare and Medicaid Services (CMS) teaching physician guidelines. Eighteen of the 31 telehealth service accounts met CMS telehealth billing requirements. One of the four incident-to visits and 18 of the 25 shared/split visits agreed with the CMS guidelines. We noted that the modifiers were applied appropriately to 35 of 94 accounts and in the remaining accounts, reimbursement was not affected because the modifiers were informational in nature. There were 55 accounts that the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) codes were appropriate for the documented

medical necessity. In the remaining accounts, we noted that medical diagnosis documentation supported additional or different ICD-10 codes in accordance with coding guidelines.

Recommendations

We recommended that Memorial Physician Group (MPG) Business Office develop and implement the written policies and procedures for documentation, coding, and billing of telehealth services. We recommended that MPG Business Office review, update, and make available all required policies and procedures for staff and physicians. We recommended that the Director of Billing and Compliance, MPG Business Office and the Administrative Director of the Neurosciences educate the staff and physicians on the policies and procedures and where they are found. We recommended that MPG Business Office correct and rebill or refund accounts as appropriate. We recommended that the Medical Director of the Neurosciences, the Director of Billing and Compliance and the Administrative Director of the Neurosciences reeducate providers on medical record documentation, coding, and billing to support medical necessity and services billed, as the MPG Business Office does not code E/M or ICD-10 codes. We recommended continued training for the providers on documenting and reporting telehealth services appropriately. We recommended that the MPG Business Office work with the Information Technology (IT) department to create and implement a standardized IT solution and process to capture medical record documentation and report the physician services provided at the external site of service at non-Memorial facilities that do not have the capability to interface with Epic.

Mario Salceda-Cruz, Chief Operating Officer, MPG and Esther Surujon, Chief Financial Officer, MPG agreed with the findings and recommendations and have provided a detailed action plan.

D. Services Provided by Protiviti

A list of Services Provided by Protiviti for the quarter will be discussed during the meeting.

E. Other Reports

Investor Log

The Investor Contact Log for the quarter is attached for your review. See Exhibit C.

Non-Audit Engagements

A list of RSM and Zomma Group Non-Audit Engagements for the quarter is attached for your review. See Exhibit D.

Compliance Environment

A discussion of Nationwide Audit and Investigation Activities for the quarter will be held during the meeting.

VI. OPEN LINES OF COMMUNICATION

A. Hotline Calls

During the quarter, 22 calls, two of which were callbacks, were placed to the System's Compliance Hotline covering 18 new topics and one old topic. Four topics were compliance allegations (three calls, one callback). One topic was quality of care or service allegations (one call). One topic was a workplace safety allegation (one call). All of the calls were investigated and two of the compliance allegations were substantiated.

Finally, one topic was informational (one call, one callback), and 12 topics (14 calls) were employee-management relations issues. The employee-management relations issues have been forwarded to the Employee Relations and Human Resources Departments.

VII. ENFORCEMENT & DISCIPLINE

Sanction checks were conducted of employees, physicians, vendors, volunteers, and students. Two Non-Referring Physicians were sanctioned. Accounts Receivable Management was notified so that appropriate action can be taken.

	Ambulatory Surgery Center ANF Group, Inc. #450218ASC MHM	MOB Renovation ANF Group, Inc. #831720 MHW	Family Birthplace Turner Construction Co. #400121 MRH	Wind Retrofit Turner Construction Co. #409020 MRH	Dishwasher Renovation Gerritts Construction Inc. #400618 MRH
	Amount	Amount	Amount	Amount	Amount
Original Contract Sum	\$ 5,589,844	\$ 2,841,210	\$ 3,658,618	\$ 4,924,483	\$ 1,391,697
Prior Change Orders	(1,340,949)	(396,452)		(155.09)	
Current Change Orders					25,007
Prior Owner Purchase Orders		(71,689)	(646,487)	(782,925)	
Current Owner Purchase Orders				639,647	
Current Contract Sum to Date	\$ 4,248,894	\$ 2,373,070	\$ 3,012,131	\$ 4,781,050	\$ 1,416,704
Previous Payments	4,124,271	2,250,880	507,211	2,357,320	1,361,755
		13 97,676	4 277,318	10 623,413	
			5 148,901	11 546,816	
Total Payments	4,124,271	2,348,557	933,429	3,527,549	1,361,755
Balance	\$ 124,623	\$ 24,513	\$ 2,078,701	\$ 1,253,501	\$ 54,949
Owner Purchased Materials					
Retainage			88,640	131,314	
Payments	4,124,271	2,348,557	933,429	3,527,549	1,361,755
Work completed	\$ 4,124,271	\$ 2,348,557	\$ 1,022,069	\$ 3,658,863	\$ 1,361,755
Status	Active	Active	Active	Active	Active

	MOB Women Center ANF Group, Inc. #450218 MHM	Memorial Cancer Center Expansion DPR Construction #431019 MHW	Hurricane Hardening Thornton Construction Co. #410121 MRHS	Family Birthplace Replacement Thornton Construction Co. #430321 MHW	Lift Station & Force Main Thornton Construction Co. #401720 MHM
	Amount	Amount	Amount	Amount	Amount
Original Contract Sum	\$ 35,067,236	\$ 86,165,924	\$ 13,613,113	\$ 2,110,655	\$ 4,677,865
Prior Change Orders	(5,101,409)	(10,241,860)			
Current Change Orders		(3,045,191)			
Prior Owner Purchase Orders	(750,000)		(2,000,000)	(225,832)	(728,004)
Current Owner Purchase Orders					
Current Contract Sum to Date	\$ 29,215,826	\$ 72,878,873	\$ 11,613,113	\$ 1,884,823	\$ 3,949,861
Previous Payments	27,790,363	11,406,283	5,834,724	1,193,451	2,924,238
		7 2,288,084	7 392,284	7 441,223	7 225,384
		8 1,573,750	8 286,011		8 190,203
		9 2,855,479	9		9 299,958
Total Payments	27,790,363	18,123,595	6,513,019	1,634,674	3,639,784
Balance	\$ 1,425,464	\$ 54,755,278	\$ 5,100,094	\$ 250,149	\$ 310,077
Owner Purchased Materials					
Retainage		1,349,505	342,790	181,630	191,568
Payments	27,790,363	18,123,595	6,513,019	1,634,674	3,639,784
Work completed	\$ 27,790,363	\$ 19,473,099	\$ 6,855,809	\$ 1,816,304	\$ 3,831,352
Status	Active	Active	Active	Active	Active

	MRI Expansion Engel Construction, Inc. #402417 MRH	Memorial Cancer Institute ANF Group, Inc. #401820 MHS	Cath Lab#6 Engel Construction, Inc. #400320 MRH	JDCH Vertical Expansion Robins & Morton Group #460117 JDCH
	Amount	Amount	Amount	Amount
Original Contract Sum	\$ 1,335,578	\$ 3,318,035	\$ 1,047,757	\$ 108,993,259
Prior Change Orders	74,758	(642,606)		
Current Change Orders	869	82,153		
Prior Owner Purchase Orders	108,906	17,830	73,879	(16,270,441)
Current Owner Purchase Orders			(34,023)	
Current Contract Sum to Date	\$ 1,520,111	\$ 2,775,412	\$ 1,087,614	\$ 92,722,818
Previous Payments	1,402,775	2,471,961	1,033,233	66,841,682
19 826		17 132,027	16 54,381	20 2,677,333
		18 54,561		21 4,876,154
Total Payments	1,403,601	2,658,550	1,087,613	74,395,168
Balance	\$ 116,510	\$ 116,863	\$ 0	\$ 18,327,649
Owner Purchased Materials				
Retainage	73,874			4,710,340
Payments	1,403,601	2,658,550	1,087,613	74,395,168
Work completed	\$ 1,477,474	\$ 2,658,550	\$ 1,087,613	\$ 79,105,508
Status	Active	Active	Active	Active

**Memorial Healthcare System
RFP and Competitive Quote Audits**

RFPs	Current Phase - 1st Quarter FY 2023	Audited Through	Exceptions
1 Interpretation & Translation Services	Oral Presentation	Selection	None
2 Computer Assisted Physician Documentation (CAPD) Software	Oral Presentation	Selection	None
3 General Contracting Services	Selection	Analysis	None
4 Disaster Debris Removal and Disposal	Oral Presentation	Analysis	None
5 Valet Parking Service, Booth Attendant and Shuttle Services	Oral Presentation	Receipt	None
6 Care Coordination Center Software	Selection	Design	None
7 Clinical Trial Management System	Oral Presentation	Analysis	None

**Memorial Healthcare System
RFP and Competitive Quote Audits**

Completed Competitive Quotes	Amount \$	Exceptions
1 Endoscopy Equipment for JDCH	156,808	None
2 Equipment for Surgical Tower Replacement Project at MHW	1,854,114	None
3 Replacement Equipment for Room 1 in the Cardiovascular Imaging (CVI) Suites at MRH	1,314,560	None
4 Laparoscopic Video Equipment Upgrades for Surgical Services at JDCH	1,400,958	None
5 Patient Room Reclining Sleeper Chairs for JDCH	576,394	None
6 Emergency Department Corridor Enclosure for MHM	499,183	None
7 Outpatient Behavioral Health Furniture for MHS	307,015	None
8 Annual Renewal for Patient Direct Connect Solution at MHS	507,800	None
9 COVID-19 Pandemic Test Kits for MHS	918,000	None
10 Renewal Subscription for Vendor Portal Application Support	227,172	None
11 Five Year Support for Neurology Equipment at JDCH	185,663	None
12 Architectual design for MPG U18 Sports Medicine Facility in Hollywood	145,860	None
13 Non-Gynecologic Cytology Processing Instrument at MRH	120,000	None
14 Furniture for Eighth Floor Family Area at JDCH	100,517	None
15 Cardiac Rhythm Management Devices for MRH	165,000	None
16 COVID-19 Pandemic Test Kits for MHS	816,000	None
17 Annual Maintenance for Centricity Perinatal Software for MRH, MHW, & MHM	489,594	None
18 Main Electrical Panel Upgrades for MRHS	1,120,307	None
19 Laparoscopic Equipment for Operating Room at MHP	1,331,764	None
20 Network Switches for MHS	192,614	None
21 Full-Service Maintenance Agreement for Laboratory Equipment at MHS	124,999	None
22 MRI Ventilators for JDCH	215,608	None
23 Camera Heads & Laparoscopes for Operating Room at MRHS	429,622	None
24 Clinical Equipment for Vertical Expansion Project at JDCH	459,130	None
25 Surgical Navigation System for JDCH	456,075	None
26 MHW and Medical Office Building Stairwell and Chair Rails Project	182,123	None
27 Isilon Node Expansion for Network Storage at MHS	159,956	None
28 Pyxis Equipment for JDCH	238,960	None
29 Support for Data storage Equipment HPE 3PAR for MHS	189,294	None
30 Full Service Agreement of Blood Gas Analyzers for MRH Laboratory	115,372	None

Memorial Healthcare System
Investor Contact Log
Fiscal Year 2023

	Quarter: Ended	Contact:	Representing:	Discussion:
	July 31,2022		None	

**Memorial Healthcare System
Non Audit Engagement Report
Q1 FY 2023**

Quarter Ended	RSM US LLP Engagement:	
Q1 FY2023	For professional services rendered and expenses incurred in connection with the preparation of Memorial Healthcare System year end 4/30/2021 tax returns.	\$ 15,000
	For professional services rendered and expenses incurred in connection with consulting services for Community Health Needs Assessment.	\$ 5,000
	For professional services rendered and expenses incurred in connection with the preparation of Memorial Healthcare System year end 4/30/2022 excise tax returns.	\$ 4,000
	For professional services rendered and expenses incurred in connection with consulting services for payroll taxes.	\$ 2,509
	For professional services rendered and expenses incurred in connection with Memorial Health Network (MHN) IRS Audit for tax year ending 4/30/2019.	\$ 11,500
	For professional services rendered and expenses incurred in connection with the preparation of MHN year end 4/30/2021 tax returns.	\$ 2,756
	For professional services rendered and expenses incurred in connection with implementing GASB 87 Technical Lease accounting.	\$ 5,880
	Total	\$ 46,645
Q1 FY2022	Total spend, provided for comparative purpose	\$ -

Quarter Ended	Zomma Group LLP Engagement:	
Q1 FY2023	For professional services rendered and expenses incurred in connection with Non Audit Engagements.	\$ -
Q1 FY2022	Total spend, provided for comparative purpose	\$ -



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: July 29, 2022

From: Dorinda Segovia, Vice President, Pharmacy Services, MHS
Scott Davis, Vice President, Reimbursement and Revenue Integrity, MHS


Subject: **Action Plan: Compliance Audit of the 340B Program at Memorial Healthcare System - FY 2023 First Quarter**


Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend to review the accounts with pre-admission testing (PAT) locations for the same time period, audit for duplicate medication charges and correct, if necessary.	340B Team reviewed all dispensations from the 1 st day of operations at MHMMOBPAT location. A total of 54 drug charges were considered duplicate and have now been reversed by the Charge Team.	7/1/2022
We recommend to include Epic review of the Automated Dispensing Cabinet (ADC) stations set up and monitor ADC overrides for 340B medications to avoid duplicate charges.	340B Team discussed with Application Analyst team of the audit issue found and emphasized on oversight and testing procedures for new Pyxis machine set-ups. Per Analyst, the reason this happened is because MHM MOB2 PAT was a new department and when the record was updated, it wasn't moved to Epic PRD. The other facilities do not have two PAT departments. This one may have been missed because of the amount of department changes that were going on around the same time with the COVID units.	7/1/2022

We recommend to set up target audit parameters specific to PAT locations as well as increase oversight over mixed use to audit based on hospital locations.	340B Team is to adjust auditing procedures for mixed-use areas/Hospital and will work to set up additional resources to increase oversight.	7/1/2022
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cc: K. Scott Wester, President and Chief Executive Officer, MHS

DocuSigned by:

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Dorinda Segovia,
Vice President, Pharmacy Services





Scott Davis,
Administrative Director, Reimbursement
and Revenue Integrity



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: September 13, 2022

From: Stephen Demers, Chief Executive Officer, MHP 
Patrick Connor, Chief Financial Officer, MHP 

Subject: **Action Plan: COMPLIANCE AUDIT OF DOCUMENTATION AND BILLING OF STRAPPING, UNNA BOOT IN THE WOUND CARE CENTER AT MEMORIAL HOSPITAL PEMBROKE**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend Wound Care Center (WCC) management reeducate providers on the medical necessity for wound care services as per Wound Care Local Coverage Determination (LCD).	WCC management will educate providers on medical necessity as per wound care LCD.	September 30, 2022
We recommend WCC management reeducate nurses on the completeness of medical record documentation.	WCC management will reeducate nurses on completeness of medical record documentation.	September 30, 2022
We recommend WCC leadership team conduct timely and regular audits on medical record documentation for patient encounters.	WCC management will conduct timely and regular audits on medical record documentation sampling four patient encounters monthly.	First audit to be completed by October 31, 2022 then monthly thereafter.
We recommend Accounts Receivable Management (ARM) review the identified account with missing documentation for the encounter and the one date of service which did not meet medical necessity for wound care services, and refund, if necessary.	Claims for the identified account were refunded to Medicare and the patient's supplemental coverage.	July 19, 2022

We recommend WCC management reeducate nurses on the difference between procedures strapping Unna boot and the application of a multilayer compression dressing.	WCC management will reeducate nurses of difference between strapping Unna boot and multilayer compression dressing.	September 30, 2022
We recommend reeducating nurses on wound care LCD that second wound care services such as chemical wound cautery should not be reported as a separate procedure.	WCC management will reeducate nurses on wound care LCD for situations in which specific procedures are not separately reportable. As of June 1, 2022 with migration to EPICs Wound Care module, chemical wound cautery has been eliminated as a reportable/chargeable item as it would never be performed as a stand-alone service.	September 30, 2022
We recommend ARM review the identified accounts with incorrect Current Procedural Terminology (CPT) codes for claim correction or refund, if necessary.	Claims were rebilled to Medicare and the patient's supplemental coverage for the identified accounts.	July 19, 2022
We recommend WCC management work with the facility CEO and CFO to disclose findings on the incorrect CPT code claims to Medicare as part of the self-initiated audit performed in response to the Comparative Billing Report received from First Coast Service Options, Inc., even though CPT codes 29580 and 29581 are assigned to the same Ambulatory Payment Classification (APC) Group as they have similar characteristics and costs. As such, there was no overpayment and no reimbursement difference from Medicare.	Hospital leadership has sent a letter with language recommended from Compliance to First Coast Service Options. Letter was signed by the Hospital CFO.	September 9, 2022

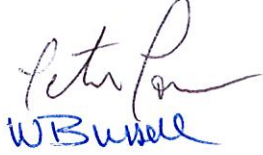
cc: K. Scott Wester, President and Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: August 17, 2022

From: Peter Powers, Chief Executive Officer, MRH
Walter Bussell, Chief Financial Officer, MRH 

Subject: **Action Plan:** Compliance Audit of Level Two Evaluation and Management Facility Charges in the Emergency Department at Memorial Regional Hospital

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend ED management reeducate all nurses on appropriate and complete documentation of visual acuity.	Emergency Room leadership will provide education to MRH ED RNs regarding documentation.	8/30/2022
We recommend ED management reeducate nurses on the MHS "Patient Care Services Guidelines for Clinical Documentation; Electronic Medical Record" policy and procedure.	Emergency Room leadership will provide education to MRH ED RNs regarding the policy and procedure.	8/30/2022
We recommend Corporate Finance review and make the necessary adjustments to the current MHS point value and guidelines for calculating an E/M ED facility charge.	Director Charge Management reviewed point value structure with EPIC IT expert and determined the system is working as intended. These leaders will review the structure to determine if any updates to point values are necessary.	7/20/2022 12/15/2022

cc: Scott Wester, President and Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: August 30th, 2022

From: Dorinda Segovia, VP and Chief Pharmacy Officer, Pharmacy Services, MHS

Sergio Santos, Administrative Director, Finance

Subject: Action Plan: Compliance Audit of the Immunization Program at Memorial Miramar Outpatient Pharmacy

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend Pharmacy management enhance Standard of Practice (SOP) to indicate that immunizer ensures consent is in Epic Hyperspace for COVID vaccinations and scanned in Epic Willow Ambulatory for non-COVID vaccinations prior to administration.	"Immunizations" SOP been updated	Completed 8/30/22
We recommend to update the SOP to indicate that immunizer should be scanning consent and administration forms while being logged into the system.	"Immunization" SOP has been updated	Completed 8/30/22

We recommend pharmacy management address access for back-up generator power with upper management.	In consultation with property management for emergency power quote and install. Facility has 24/7 remote refrigeration monitoring.	Oct 15 Th , 2022
We recommend pharmacy management stock Outpatient Pharmacy with eyewash bottles to comply with existing policy and meet Occupational Safety and Health Administration requirements.	All stores have confirmed eye wash stations in place.	Completed 8/29/22
We recommend the eleventh revised Protocol for Immunizations by Pharmacy be updated at the next revision to clarify that the completed Audit Immunizations Screening and Consent is retained in Epic.	Current protocol already calls for consent to be retained. The immunization SOP lists where the consent is retained All vaccines retained in EPIC willow and Covid vaccines in Epic Hyperspace	Completed 8/29/22

cc: K. Scott Wester, President and Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: September 19, 2022

From: Douglas A Zaren Chief Executive Officer, MRHS
David Webb, Chief Financial Officer, MRHS
Mario Salceda-Cruz, Chief Operating Officer, MPG
Esther Surujon, Chief Financial Officer, MPG, MPC & UCC

Subject: **Action Plan: Compliance Audit of Documentation and Billing of Injection of Anesthetic and/or Steroid Drug into Sacral Spine at Memorial Regional Hospital South**

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MSC
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ES

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend Director of Billing and Compliance, MPG reeducate the ESI performing providers on the current FCSO LCD guidelines and documentation requirements.	Director of Billing and Compliance MPG will pull the current FCSO LCD guidelines and documentation requirements on ESI to prepare training material. ESI performing providers will be reeducated.	11/30/2022
We recommend Medical Director of MPG Physical Medicine and Rehabilitation and Director of Billing and Compliance, MPG reeducate ESI performing providers on the completeness of medical record documentation to ensure the H&P exam is current as required.	Director of Billing and Compliance MPG will pull CMS/CPT guidelines on how to properly document medical records to ensure the H&P exam is current. ESI performing providers will be reeducated.	11/30/2022
We recommend surgical services management update the templated operative procedure note in Epic to include the pre-procedure pain assessment and post-procedure pain relief achieved immediately post-		

injection to meet the current LCD requirement.		
We recommend the surgical services management work with the medical director to reeducate providers on the updated operative procedure note.		
We recommend Director of Billing and Compliance, MPG reeducate the ESI performing provider's office staff on the two-week post-procedure follow-up pain assessment documentation to be accurately completed and concurrent with the current LCD requirements	Director of Billing and Compliance MPG will pull CMS guidelines on how to properly document post-procedure follow up pain assessment to accurately completed and concurrent with current LCD requirements. ESI performing providers and office staff will be reeducated.	11/30/2022
We recommend that the Medical Director of MPG Physical Medicine and Rehabilitation and the Director of Billing and Compliance, MPG review and reeducate ESI performing providers on the current LCD guidelines and requirements regarding anesthesia use.	Director of Billing and Compliance MPG will pull the current FCSO LCD guidelines and documentation requirements on anesthesia use. . ESI performing provider will be reeducated.	11/30/2022

cc: K. Scott Wester, President and Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: September 19, 2022

From: Douglas A Zaren Chief Executive Officer, MRHS
David Webb, Chief Financial Officer, MRHS
Mario Salceda-Cruz, Chief Operating Officer, MPG
Esther Surujon, Chief Financial Officer, MPG, MPC & UCC

Subject: **Action Plan: Compliance Audit of Documentation and Billing of Injection of Anesthetic and/or Steroid Drug into Sacral Spine at Memorial Regional Hospital South**

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend Director of Billing and Compliance, MPG reeducate the ESI performing providers on the current FCSO LCD guidelines and documentation requirements.		
We recommend Medical Director of MPG Physical Medicine and Rehabilitation and Director of Billing and Compliance, MPG reeducate ESI performing providers on the completeness of medical record documentation to ensure the H&P exam is current as required.		
We recommend surgical services management update the templated operative procedure note in Epic to include the pre-procedure pain assessment and post-procedure pain relief achieved immediately post-injection to meet the current LCD requirement.	<ul style="list-style-type: none">H&P will be modified to include current MHS numeric 0-10 pain scalePost Procedure Op Note will be modified to include current MHS numeric 0-10 pain scale to indicate pain	10/26/22 10/26/22

	<p>relief achieved immediately after procedure</p> <ul style="list-style-type: none"> • 14 day in-office post procedure follow up note will be modified to include current MHS numeric 0-10 pain scale 	10/26/22
We recommend the surgical services management work with the medical director to reeducate providers on the updated operative procedure note.	<ul style="list-style-type: none"> • Surgical Services Director and Director of Quality and Regulatory Compliance at MRHS will work closely with MPG physicians to educate providers on LCD requirements and updated documentation note requirements. 	10/26/22
We recommend Director of Billing and Compliance, MPG reeducate the ESI performing provider's office staff on the two-week post-procedure follow-up pain assessment documentation to be accurately completed and concurrent with the current LCD requirements		
We recommend that the Medical Director of MPG Physical Medicine and Rehabilitation and the Director of Billing and Compliance, MPG review and reeducate ESI performing providers on the current LCD guidelines and requirements regarding anesthesia use.		

cc: K. Scott Wester, President and Chief Executive Officer, MHS



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To: Denise DiCesare, Chief Compliance and Internal Audit Officer, MHS

Date: September 12, 2022

From: Mario Salceda-Cruz, Chief Operating Officer, MPG ^{DS}MS
Esther Surujon, Chief Financial Officer, MPG, MPC & UCC ^{DS}ES

Subject: Action Plan: Compliance Audit of Neurology & Neurosurgery Evaluation and Management Services for Memorial Physician Group Professional Coding and Billing

Attached is our Action Plan, which identifies the steps which will be taken to address the recommendations made in the above referenced audit.

Recommendations	Response/Action Plan	Estimated Completion Date
We recommend that the Memorial Physician Group (MPG) Business Office develop, and implement the written policies and procedures for documentation, coding, and billing of telehealth services.	MPG BSO will work with MDIV – Telehealth Department to create a System wide Telehealth policy to include Documentation requirements and billing process	12/1/2022
We recommend that MPG Business Office review, update, and make available all required policies and procedures for staff and physicians.	Business Office will review the existing policy and procedures. Update on Service Know as necessary	12/1/2022
We recommend that the Director of Billing and Compliance, MPG Business Office, and the Administrative Director of the Neurosciences educate the staff and physicians on the policies and procedures and where they are found.	Business Office will work with Director of Billing and Compliance, MPG Business Office, and the Administrative Director of the Neurosciences educate the staff and physicians on the policies and procedures and where they are found. Business Office will update existing P&P first.	12/1/2022
We recommend that MPG Business	Business Office will have	10/01/2022

Office correct and rebill or refund accounts as appropriate.	completed	
We recommend that the Medical Director of the Neurosciences, the Director of Billing and Compliance and the Administrative Director of the Neurosciences reeducate providers on medical record documentation, coding, and billing to support medical necessity and services billed, as the MPG Business Office does not code E/M or ICD-10 codes.	Director of Billing and Compliance to will perform training	11/25/2022
We recommend continued training for the providers on documenting and reporting telehealth services appropriately.	Director of Billing and Compliance to will preform training	11/25/2022
We recommend that the MPG Business Office work with the Information Technology (IT) department to create and implement a standardized IT solution and process to capture medical record documentation and report the physician services provided at the external site of service at non-Memorial facilities that do not have the capability to interface with Epic.	Business Office has already begun working with IT. Business Office will continue to work with IT, Administrative Director of Adult Neuroscience, and Director Billing/Compliance to put together an effective workflow for the Practice to follow. Once a draft is completed will have Corporate Compliance review to ensure that process meets all compliant guidelines.	12/1/2022

cc: K. Scott Wester, President and Chief Executive Officer, MHS