Minutes of the meeting of the Audit and Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System held Tuesday, November 29, 2011 at the hour of 9:30 A.M., at 1900 West Polk Street, in the Second Floor Conference Room, Chicago, Illinois.

I. Attendance/Call to Order

Chairman Muñoz called the meeting to order.

Present: Chairman Luis Muñoz, MD, MPH and Director Heather O’Donnell, JD, LLM (2)

Board Chairman Warren L. Batts (Ex-Officio Member), Gerald Bauman (Non-Director Member) and Director Hon. Jerry Butler

Absent: Director Benn Greenspan, PhD, MPH, FACHE (1)

II. Public Speakers

Chairman Muñoz asked the Secretary to call upon the registered speakers.

The Secretary responded that there were none.

III. Report from System Director of Internal Audit (Attachment #1)

A. Activity Report

Tom Schroeder, System Director of Internal Audit, provided a status report on the activity of the Internal Audit function. Additionally, he presented information regarding Internal Audit’s assessment of controls around the Chemotherapy Infusion Billing procedures. The Committee reviewed and discussed the information.

With regard to the information provided on Internal Audit’s review of Chemotherapy Infusion Billing, Director O’Donnell inquired regarding how the new processes that have been put in place will be measured. Mr. Schroeder responded that he plans to report back to the Committee on the subject, as work has not yet been completed on the creation of an optimal control structure and processes.

IV. Report from System Corporate Compliance Officer (Attachment #2)

A. Activity Report

Cathy Bodnar, System Corporate Compliance Officer, presented the Activity Report and an update on the following: Proactive Chemotherapy Review - Results and Next Steps; and Corporate Compliance Reactive Issues. The Committee reviewed and discussed the information.
V. **Action Items**

A. **Minutes of the Audit and Compliance Committee Meeting, October 25, 2011**

Director O’Donnell, seconded by Chairman Muñoz, moved to accept the minutes of the Audit and Compliance Committee Meeting of October 25, 2011. THE MOTION CARRIED UNANIMOUSLY.

B. Any items listed under Sections V and VI

VI. **Closed Session Discussion/Information Item**

A. **Discussion of Personnel Matters**

Chairman Muñoz, seconded by Director O’Donnell, moved to recess the regular session and convene into closed session, pursuant to the following exception to the Illinois Open Meetings Act: 5 ILCS 120/2(c)(1), regarding “the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity.” THE MOTION CARRIED UNANIMOUSLY.

Chairman Muñoz declared that the closed session was adjourned. The Committee reconvened into regular session.

VII. **Adjourn**

As the agenda was exhausted, Chairman Muñoz declared the meeting ADJOURNED.

Respectfully submitted,
Audit and Compliance Committee of the
Board of Directors of the
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Luis Muñoz, MD, MPH, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXXXXXX
Deborah Santana, Secretary
ATTACHMENT #1
Objective

> To provide a status report on the activity of the Internal Audit function

> To review the results of Internal Audit’s assessment of controls around the Chemotherapy Infusion Billing procedures
### 2011 Internal Audit Plan
#### Status at October 31, 2011

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- **Transformation Benefit Reviews**
  - Cook County Audit
  - Special Earnings
  - Fixed Assets
  - Rev Cycle - Chemo Inf.
  - Revenue Cycle - Dialysis Clinic
  - Financial Reporting - Gen’l Ledger

- **IT Risk Assessment**
  - IT Access - Terms, Xfer, LOA

- **IT - General Controls**

*Denotes work in process*
Chemotherapy Infusion Billing (outpatient)

Background:

- Stroger Hospital operates an infusion clinic that provides a wide range of infusion-related therapies. Chemotherapy is one of the primary services provided by the infusion clinic. Patients receive a comprehensive treatment plan under the care of CCHHS oncologists.

- Our review focused on key processes within the following operational areas: CCHHS referring clinics, Chemotherapy Infusion Clinic, Chemotherapy Infusion Clinic Pharmacy, Health Information Management (Coding Department)(A), and Patient Financial Services (Patient Billing Department).

- Internal Audit observations:
  1. Reconciliations and quality assurance procedures designed to ensure accuracy and completeness of clinical and financial information are not implemented.
  2. Technology is not being leveraged to make manual processes and validation of information more efficient.

A) Corporate Compliance provided expertise relating to the review of coding; results will be discussed as part of Corporate Compliance's report to the Committee.
Chemotherapy Infusion Billing, continued

Risk Considerations:
- Manual physician orders
- Manual scheduling
- Charge generation – accuracy of documentation within the medical record, selection of appropriate encounter numbers, resolving exceptions between coding and clinical departments
- Charge Capture and billing – manual processes, resolving exceptions between coding, clinical, and outpatient billing departments

Management’s Reply:
Management has initiated a project to re-engineer Cerner/Siemens functionality. The work effort spans across multiple functional areas and includes patient access, charge capture for facility services, CDM for facility services, clinical operations workflow, clinical informatics and billing. The initiative objectives are to fully utilize the existing Cerner EMR to capture data related to the services performed during the patient visit and to interface with Siemens for appropriate billing of services. An initial group of 18 clinics and departments have been identified based on their significant level of CCHHS outpatient revenue. These locations will serve as the foundation for a system-wide implementation model for the remaining clinics. The project described above will address the observation for the chemotherapy infusion clinic as well as the other clinics on the initial priority list.
ATTACHMENT #2
Corporate Compliance Report

Cathy Bodnar, MS, RN, CHC
Chief Compliance Officer

November 29, 2011
Objectives

- To present the results of the coding portion of the chemotherapy review.

- To discuss the reactive issue process as it relates to a specific issue.
Proactive Chemotherapy Review

Dianne Willard, MBA, RHIA, CCS–P, CHC
Associate Compliance Officer
Chemotherapy Infusion Review

Partnered with Internal Audit to provide coding compliance expertise.

- Complex Coding Guidelines and Regulations with significant compliance impact.
- Coding with multiple components (i.e. Infusions, units of service for specific drugs).
- Detailed physician orders and nursing documentation required for accurate code assignment.
- Examined a probe sample to assess compliance.
The Results

- Determined documentation exists; process improvement needed for uniform, detailed, timely documentation to meet the coding/billing requirements.

- In the sample reviewed, coding performed in HIM paralleled Corporate Compliance coding.

- Medication coding is embedded in the ChargeMaster; coding does not consistently correlate to unit of drugs documented.
The Next Steps – Operationally

- Internal acknowledgement of additional process improvement measures.

- Additional opportunities with clinical documentation.

- Additional work necessary within ChargeMaster.
Corporate Compliance
Reactive Issues
Unplanned, Reactive Concerns

Directed through Corporate Compliance Investigation Policy.

- Receipt of a concern through any modality prompts an investigation.

- Investigations are initiated promptly, no later than 3 business days following the report.

- Investigation into the issue may prompt collaboration and/or transition within CCHHS or to Cook County’s Independent Inspector General.

- Structured investigative process.
The Investigative Process

1. Define Issue
2. Collect Data
3. Analyze & Evaluate
4. Develop Action Plan
5. Validate through Controls

Implementation by Operations
The Issue

Cook County doctor overpaid $80,000 while on leave

By The Better Government Association November 1, 2011 2:33AM
Overlay the Investigative Process

- Define Issue
  - Notified of a BGA Investigation (10/18/2011)
  - Contacted CC IIG (10/18/2011)

- Collect Data
  - Human Resources (10/18/2011)
  - Medical Staff Leadership (10/18/2011)
  - Payroll (10/18/2011)
  - Public Relations (10/18/2011)
  - Formally Partnered with CC IIG (10/20/2011)

- Analyze & Evaluate
  - Identified Key Employees (10/18/2011 – 10/20/2011)
  - Concluded No Criminal Intent (11/03/2011)
  - Indications Reveal Absent Controls (10/18/2011 - Ongoing)

- Develop Action Plan
  - Determined & Validated Payback Amount (10/18/2011 – 11/03/2011)
  - Communicated Financial Findings (11/04/2011)
  - Need: Identify Weaknesses (In Process)
  - Need: Operational Awareness of Weaknesses (To Follow)

- Validate through Controls
  - Received Payback (11/08/2011)
  - Received Property (11/22/2011)
  - Assess Controls (TBD)

Implementation by Operations
Questions?