
	Policy No.: 12	Signature: 	
	Created: 7/2015	Reviewed: 5/2018	Revised:

## MONITORING AND AUDITING

### SCOPE:

All Envision Healthcare colleagues. For purposes of this policy, all references to “colleague” or “colleagues” include temporary, part-time and full-time employees, independent contractors, clinicians, officers and directors.

### PURPOSE:



To outline the monitoring and auditing procedures of Envision Healthcare and its subsidiaries’ (the “Company”) to be followed by the Company’s Ethics & Compliance Department.

### POLICY AND PROCEDURE:

#### *Coding and Billing Monitoring and Auditing*

Monitoring systems enables the Company to monitor the Compliance Program's effectiveness and target additional training efforts.

- The Ethics & Compliance Department directs billing reviews of government payor claims conducted by an outside third-party consultant.
- Medical records of government beneficiary payors are randomly selected for a prospective review on a routine basis (*See the statistical sampling method in Attachment A*).
- Independent auditors review the sample according to current CMS coding documentation guidelines, CPT, and the current ICD coding book.
- Independent auditors review the sample for the appropriate assignment of visits and provide the Ethics & Compliance Department with the report of findings and compliance exceptions, if any.
- The Ethics & Compliance Department reviews the findings and provides reports to the Company’s Compliance Committee.
- Corrective action is initiated for material exceptions of a 5% variance or greater.

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- Noted exceptions are reviewed to verify implementation of corrective action processes.

***Focus Arrangements Monitoring and Auditing***

- The Ethics & Compliance Department will conduct focus arrangements reviews to ensure all new and existing or renewed Focus Arrangements are in the Focus Arrangements Tracking System (“Onit”), are complete and accurate and do not violate the Anti-Kickback statute.
- Focus Arrangements are randomly selected for review on a routine basis (*See the statistical sampling method in Attachment B*).
- The Ethics & Compliance Department will review the sample for the appropriate legal review with expertise in the Anti-Kickback statute, a specified business need or business rationale for the focus arrangement and tracking of remuneration to and from all parties to the focus arrangement.
- The Ethics & Compliance Department reviews the findings and provides reports to the Company’s Compliance Committee.
- Corrective action is initiated for all noted exceptions.
- Noted exceptions are reviewed to verify implementation of corrective action processes.

**POLICY REVIEW**

The Ethics & Compliance Department will review and update this Policy in the normal course of its review of the Corporate Ethics & Compliance Program.

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## ATTACHMENT A

### Coding and Billing Monitoring and Auditing

#### *Statistical Sampling*

The sampling approach recommended for ongoing compliance is intended to address typical areas of risk associated with billing compliance. The ongoing sampling will be conducted quarterly and will be performed on a prospective basis, that is, after the files are processed but before the claims are actually billed.

The sample will be selected from a total "population" of government payor claims that are processed during the quarter being reviewed. The "population" is defined as all government payor claims that have been coded but not billed by the billing department. Each quarter a new group of claims will be selected to assist in monitoring ongoing compliance, but all claims selected will be limited to government payor claims.

Each quarter, in order to determine which specific claims are to be selected, the following steps need to be performed:

- Determine the population (government claims only).
- Select the specific population segments that are going to be audited.
- Select a random sample from the population that has been selected.
- Review the claims that have been selected from the random sample.



The following procedures outline the sampling approach as part of the Company's ongoing Compliance Program. The ongoing sample approach is divided into three sections:

- Selecting the population segment to be sampled.
- Selecting the sample.
- Analyzing the sample.

#### *Selecting the Population*

The population segment from which the sample will be randomly determined will consist of the total number of claims processed but not billed during a pre-determined time frame. The segment will have the following characteristics:

- The population segment is selected in a random manner.
- The statistical characteristics associated with the samples that are taken from these population segments will have a confidence level of 90% with an initial guess of 10% and 3.5% margin of error. Should these statistical characteristics yield a sample

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consisting of less than 80 claims, a confidence level of 95% with an initial guess of 10% and a 3.5% margin of error will be used.

- The sample sizes will depend on the size of the population segment.
- Alternative statistical characteristics may be utilized on a per audit basis at the direction of the Chief Compliance Officer and/or Compliance Committees.



### ***Selecting the Sample of Claims with the Selected Population***

As stated above, the random samples selected are at the 95% confidence level. This is accomplished by:

- Assigning each claim or encounter a number from 1 through n.
- Determining the appropriate number of claims to review for each sample based on internal statistical sampling methodology.
- Selecting the specific claims by using a random number program (RAT-STATS) that will generate x+5 numbers between 1 and n where x is the sample size and n is the number of files in the population segment. The +5 allows for selection of an additional 5 records in case there are duplicates, errors, etc. with selected claims. For a population size less than 100, all of the records in the population segment may be selected.

### ***Analysis of the Sample***

An outside auditing company retained by the Company performs the analysis of the claims. A report of findings is submitted to the Ethics & Compliance Department who will analyze and review with the Compliance Committee. If an issue is discovered, appropriate action will be taken which may include an expanded sample review.

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## **ATTACHMENT B**

### Focus Arrangements Monitoring and Auditing

#### ***Statistical Sampling***

The sampling approach recommended for ongoing compliance is intended to address areas of risk associated with focus arrangements and the focus arrangements review process. The ongoing sampling will be conducted quarterly.

The sample will be selected from a total population of revenue generating ED, Hospitalist and Critical Care focus arrangements for the quarter. Each quarter a new group of focus arrangements will be selected.

Each quarter, in order to determine which specific focus arrangements are to be selected, the following steps need to be performed:

- Determine the population.
- Select the specific population segments that are going to be audited.
- Select a random sample from the population that has been selected.
- Review the focus arrangements that have been selected from the random sample.



The following procedures outline the sampling approach as part of the Company's ongoing Compliance Program. The ongoing sample approach is divided into three sections:

- Selecting the population segment to be sampled.
- Selecting the sample.
- Analyzing the sample.

#### ***Selecting the Population***

The population segment from which the sample will be randomly determined will consist of the total number of revenue generating ED, Hospitalist and Critical Care focus arrangements for the quarter. The segment will have the following characteristics:

- The statistical characteristics associated with the samples that are taken from these population segments will have a confidence level of 90% with an initial guess of 5% and 3.5% margin of error. The sample sizes will depend on the size of the population segment.

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- Alternative statistical characteristics may be utilized on a per audit basis at the direction of the Chief Compliance Officer and/or Compliance Committees.

***Selecting the Sample of Focus Arrangements with the Selected Population***

As stated above, the random samples selected are at the 90% confidence level. This is accomplished by:

- Assigning each focus arrangement a number from 1 through n.
- Determining the appropriate number of focus arrangements to review for each sample based on internal statistical sampling methodology.
- Selecting the specific focus arrangements by using a random number program (RAT-STATS) that will generate x+5 numbers between 1 and n where x is the sample size and n is the number of files in the population segment. The +5 allows for selection of an additional 5 records in case there are duplicates, errors, etc. with selected focus arrangements.

***Analysis of the Sample***

The Ethics & Compliance Department will perform the analysis of the focus arrangements. A report of findings is submitted Compliance Committee for review. If an issue is discovered, appropriate action will be taken which may include an expanded sample review.