



Health Care Compliance Association

Rolling the Dice on Physician Activity Monitoring?
Use Effective Monitoring Tools to Ensure Compliance

April 20, 2016

Presenters



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Overview



- *Reasons for Compliance Monitoring of Physician Activity*
- Implementing Effective Procedures and Controls for Monitoring Physician Activity to Ensure Compliance
 - Audit and Monitoring Tools
 - Case Studies



Reasons for Compliance Monitoring of Physician Activity



- Critical component of an effective compliance program
 - Increased regulatory scrutiny and enforcement actions and enhanced penalties
 - Stark, Anti-Kickback and False Claims Act Liability



Reasons for Compliance Monitoring of Physician Activity



U.S. Department of Justice
Office of the Inspector General

MEMORANDUM FOR THE ASSISTANT ATTORNEY GENERAL, ANTI-TRUST DIVISION
THE ASSISTANT ATTORNEY GENERAL, CIVIL DIVISION
THE ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION
THE ASSISTANT ATTORNEY GENERAL, ENVIRONMENT AND
NATURAL RESOURCES DIVISION
THE ASSISTANT ATTORNEY GENERAL, FEDERAL ACQUISITION
AND MANAGEMENT SERVICES DIVISION
THE ASSISTANT ATTORNEY GENERAL, HEALTH CARE
DIVISION
THE ASSISTANT ATTORNEY GENERAL, INSURANCE
DIVISION
THE ASSISTANT ATTORNEY GENERAL, INVESTIGATION
DIVISION
THE ASSISTANT ATTORNEY GENERAL, LEGAL COUNSEL
DIVISION
THE ASSISTANT ATTORNEY GENERAL, POLICY AND
REGISTRATION DIVISION
THE ASSISTANT ATTORNEY GENERAL, SPECIAL INVESTIGATIVE
DIVISION
THE ASSISTANT ATTORNEY GENERAL, TRAINING AND
DEVELOPMENT DIVISION
THE ASSISTANT ATTORNEY GENERAL, OFFICE OF INSPECTOR GENERAL
ADVISOR

FROM: John C. O'Connell, Director, Health Care Division

SUBJECT: Individual Accountability for Corporate Wrongdoing

DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL
Federal Abuse Prohibits Compensation Arrangements
May Result in Multiple Liability

June 9, 2015

Physicians who enter into compensation arrangements with a medical device company must ensure that these arrangements adhere to applicable laws. Failure to comply with these laws may result in multiple liability for the physician, including civil and criminal penalties. Although compensation arrangements are common, physicians should be aware of the potential for multiple liability. This report provides information on the laws that govern these arrangements and offers suggestions for how to avoid multiple liability. It also discusses the importance of proper documentation and the role of the physician in ensuring compliance with applicable laws.

JUSTICE NEWS
Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE
Monday, September 21, 2015

Adventist Health System Agrees to Pay \$115 Million to Settle False Claims Act Allegations

Adventist Health System has agreed to pay the United States \$115 million to settle allegations that it violated the False Claims Act by maintaining improper compensation arrangements with referring physicians and by miscoding claims, the Justice Department announced today.

JUSTICE NEWS
Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE
Tuesday, September 15, 2015

Florida Hospital District Agrees to Pay United States \$69.5 Million to Settle False Claims Act Allegations

The United States Department of Justice announced today that Florida Hospital District has agreed to pay \$69.5 million to settle allegations that it violated the False Claims Act by submitting false claims for payment to Medicare and Medicaid.

2.4 Billion Reasons!

JUSTICE NEWS
Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE
Friday, February 26, 2016

Fact Sheet: The Health Care Fraud and Abuse Control Program Protects Consumers and Taxpayers by Combating Health Care Fraud

The Affordable Care Act Has Helped the Government Fight Fraud, Strengthen Health Insurance Programs, Protect Consumers, and Save Taxpayer Dollars

The Obama Administration is committed to reducing fraud, waste, and abuse across the government. Since 2009, the U.S. Department of Health & Human Services, Office of Inspector General (OIG), the Centers for Medicare & Medicaid Services (CMS), and the U.S. Department of Justice (DOJ) have been using powerful, new anti-fraud tools to protect Medicare and Medicaid by shifting from a 'pay and chase' approach toward fraud prevention. Through the groundbreaking Healthcare Fraud Prevention Partnership, stronger relationships have been built between the government and the private sector to help protect all consumers.

JUSTICE NEWS
Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE
Friday, September 4, 2015

Georgia Hospital System and Physician to Pay More than \$25 Million to Settle Alleged False Claims Act and Stark Law Violations

Columbus Regional Healthcare System (Columbus Regional) and Dr. Andrew Pippas have agreed to pay more than \$25 million to resolve allegations that they violated the False Claims Act by submitting claims in violation of the Stark Law. Today's settlement also resolves allegations that Columbus Regional and Pippas submitted claims for payment to federal health care programs that misrepresented the level of services they provided. Under the settlement agreement, Columbus Regional has agreed to pay \$25 million, plus additional contingent payments not to exceed \$50 million, for a maximum settlement amount of \$75 million, and Pippas has agreed to pay \$25,000.

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BETTER TOGETHER™

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 - Case Studies



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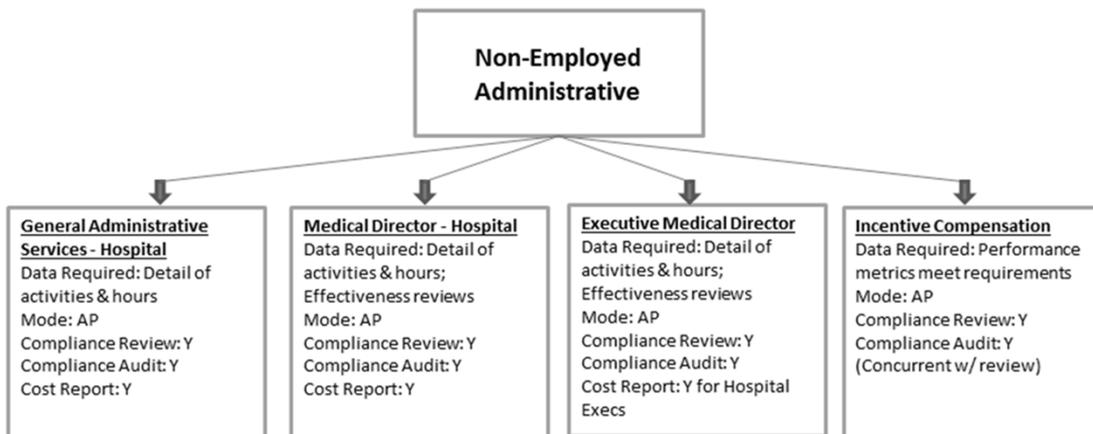
BETTER TOGETHER™

Remuneration Review and Audit Matrix



Employed		Non-Employed		Hospital Based
<u>Clinical</u>	<u>Admin</u>	<u>Clinical</u>	<u>Admin</u>	<u>Executive</u>
Professional Services	General	Professional Services	General	Hospital Based Subsidy
Productivity Bonus	Medical Director	Incentive Comp.	Medical Director	Medical Director
Start-up Bonus	Executive Med Dir	Teaching	Executive Med Dir	Incentive Comp.
Teaching		On Call Services	Incentive Comp.	
On Call Services				

Remuneration Review and Audit Matrix - Non-Employed Administrative



Effective Processes Ensure Compliance



- Create and maintain a centralized contract database
- Policies emphasize detailed review and approval of remuneration paid to physicians
 - Detailed timesheets required
 - Must contain sufficient detail to support time claimed
 - Party to contract retains supporting documentation for audit
 - No payments made without sufficient documentation
 - Late submissions require Compliance review prior to approval
 - Parties are informed at time of contract signing of timesheet and supporting documentation requirements
 - One on one education

Effective Controls - Time Worked



- Management oversees services and time worked:
 - Ensures timesheet reflects job description, includes detail of activities reported in 15 minute increments and not general statements such as "Services," "Miscellaneous" or "Administrative"
 - Ensures physician submits timesheet in a timely manner in accordance with the terms of the contract and applicable hospital policies
 - Reviews timesheet for accuracy and certification, and upon approval submits timesheet to Compliance for payment
 - Ensures physician expectations for payment are aligned with contract and services performed
 - Evaluates performance and delivery of services

Provide training to Managers from time to time on the timekeeping process and their associated roles and responsibilities

Effective Controls – Time Worked



- Compliance reviews timesheets prior to payment:
 - Matches timesheet to executed contract
 - Validates dates to terms of executed contract
 - Confirms duration of time (e.g., “fat finger” errors, consistently reporting the same # of hours or working beyond hours scheduled in contract)
 - Re-calculates total # of hours
 - Reviews for unusual patterns or ambiguous statements of activity
 - Checks for physician signature and Responsible Manager signature (handwritten or electronic)

Compliance performs validation audits of time worked from time to time

Effective Processes Ensure Compliance



- Periodically perform audits to test remuneration paid as intended:
 - Accounts Payable
 - Includes non-employed physician remuneration
 - Test for a contract for every payment to a physician
 - Test for payment concordance with the contract
 - Payroll
 - Test for accurate rates, effective dates, bonus
 - Include test of compensation formulas

Effective Processes Ensure Compliance



- Track Work Plan progress
- Report results of reviews and audits
 - Dashboard reporting - quantify results
 - Transparent reporting of results and activities
 - Remediate violations as they arise
 - Utilize counsel expert in Stark and Anti-Kickback
 - Develop action plan of correction
 - Remediate with other party to the contract
 - Self-report as required
 - Re-audit action of correction for effectiveness
 - Educate parties on doing the right thing

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 - *Case Studies*



Case Study #1 - Timekeeping



Dr. Spock performs medical director and quality oversight services for an orthopedic service line, with a robust job description of duties. He submitted an accumulated 7 months of timekeeping records to his Administrator for review and approval for payment. The 7 time sheets appeared to have the same duties listed month over month, with the majority of time spent “rounding” which was carried over every day. The Administrator approved the timesheets for payment and submitted them to Compliance for review. When queried, the physician noted: “Well, I certainly do a lot more than rounding. I thought I could just document rounding. I got behind on timesheet submissions because I was short on resources for support, but I do have a journal of what I do.”

Case Study #1 - Timekeeping



- Consider:
 - ✓ Time spent rounding
 - ✓ Same activities month to month
 - ✓ Late submission
 - ✓ Concordance with expected job duties

- How can the physician’s activities and effectiveness performing the job be evaluated and confirmed prior to approval for payment?

Job Duties Concordance Review



Terms -Hypothetical M.D.										Audit		Time		201x	
Effective Date		7/1/201x		Comp per		\$ 125.00									
Hr./Mo. (Anticipated)		40		Max		5000 mo									
Test Data											Reconciliation				
Month 201x	Jan	Feb	Mar	April	May	June	July	August	Total	% Task	Date	Date			
Physician Signature	Doctor	Doctor	Doctor	Doctor	Doctor	Doctor	Doctor	Doctor	Doctor	Doctor	Journal	Journal			
Approval-Management	Mgr.	Mgr.	Mgr.	Mgr.	Mgr.	Mgr.	Mgr.	Mgr.	Mgr.	Mgr.	Other	Other			
Job Description Element	Hrs spent in Job duties														
1. Oversight-Exec leadership	4	1	1	1		2	1	0	10	2.4%	X	X			
2. ID SI priorities, strategies	0	0		4		0	1	6	29	7.0%	X	X			
3. Plan-oversee xxx services	0	3				0	0	0	3	0.7%	X				
4. Chair-xxx advisory bd	0	0				0	3.5	0	3.5	0.8%					
5. Oversee xxxx prgrm	0	3				0	0	0	3	0.7%	X	X			
6. Privileging-reapptmnt	0	0		0		0	0	0	0	0.0%					
7. Member Committee	0	3.5	7	0		2	0	0	12.5	3.0%					
8. Review charts-	0	0		0		0	0	0	0	0.0%					
9. xxxxx conference	0	4	5	0		16	5	9	68	16.4%					
10. Clinical path-Orders	0	0		0		0	0	0	0	0.0%	X	X			
11. QA-regulatory-accred	0	2	1	6		0	0	0	10	2.4%					
12. represent dept to other	0	0				0	0	0	0	0.0%	X				
13. Nursing-admin-pt care	24	25	28			25	25	26	272	65.7%	X				
14. staff devel and education	0	0		0		0	0	0	0	0.0%					
15. Managed Care review	0	0		0		0	0	0	0	0.0%					
16. Symposia oversight	3	0		0		0	0	0	3	0.7%					
17. Select advisors, wk	0	0		0		0	0	0	0	0.0%					
18. coordin program-region	0	0		0		0	0	0	0	0.0%	X	X			
TOTAL SUBMITTED	31	41.5	42	36		45	35.5	41	414	100.0%					

Job Duties Concordance Review Cont.



Test Data											Date	Date
Month 201x	Jan	Feb	Mar	April	May	June	July	August	Total	% Task	Journal	Journal
Total Hours Math Validated	31	41.5	42	36		45	34.5	41	412			
Agreement hours per month (up to)	40	40	40	40	40	40	40	40	480			
Est remuneration based on actual hours submitted	\$ 3,875	\$ 5,188	\$ 5,250	\$ 4,500	\$ -	\$ 5,625	\$ 4,313	\$ 5,125	\$ 51,625			
Remuneration approved to be paid	\$ 3,875	\$ 5,000	\$ 5,000	\$ 4,500	\$ -	\$ 5,000	\$ 4,313	\$ 5,000	\$ 50,188			
Remuneration paid (AP)	\$ 3,875	\$ 5,000	\$ 5,000	\$ 4,500	\$ -	\$ 5,000	\$ 4,313	\$ 5,000	\$ 50,188			
Remuneration max per agrmnt @ 125/hr)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 60,000			
Check request review	Spreadsheet sent to AP											
Compliance review signature on time sheet	yes	Yes	Yes	Yes	Missing sheet	Yes	Yes	Yes				

Timekeeping Case Study Conclusion



- Time spent performing duties was validated through journal review with some time not paid when not supported
- Management performed job evaluations on the medical director that indicated effective performance
- Physician educated on timekeeping requirements and timely submission
- Management educated on requirements to keep abreast of performance effectiveness for medical director(s) and periodic need to validate duties needed against the contract job description

These actions mitigate risks -

- ✓ *Services not performed as intended – If you pay a medical director, Management is responsible to assure those services are rendered*
- ✓ *Relevance of job – Conduct periodic review of job role against organization's needs, which may change*
- ✓ *Requiring controls on timely submission and detailed duties required for payment*

Auto-Calculating Time Report Tools Reduce Errors



Time Report

IMPORTANT NOTICE: The Weekly Time Report should be completed no less than monthly. The schedule is to be populated by the Hospital Responsible Manager and the actual hours worked each shift are to be initiated by the Designated Physician providing the service for that shift.

By initialing the actual hours worked each shift, the Designated Physician is attesting that the time reported is a true and accurate recording of the time spent by the Designated Physician and such documentation supporting time worked will be retained and made available to Hospital for audit purposes upon request.

No compensation will be paid until the fully-completed and signed Time Report for that period is approved by Compliance.

Pay Period Ending:

◀ ▶

Reset

Insert Pay Period End Date from Payroll Schedule Tab

Choose physician name from drop down box and fill in number of hours worked

*Please use short name of scheduled physician from table below:		2/15/2015	2/16/2015	2/17/2015	2/18/2015	2/19/2015	2/20/2015	2/21/2015
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Shift	Scheduled	A	B	C	F	E	G	
1	Hours	8.00	5.00	8.00	12.00	6.75		
Shift	Scheduled	B	D			H		
2	Hours	6.00	4.50			6.00		
Shift	Scheduled							
3	Hours							
*Please use short name of scheduled physician from table below:		2/22/2015	2/23/2015	2/24/2015	2/25/2015	2/26/2015	2/27/2015	2/28/2015
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Shift	Scheduled	F	R	P	O	M	L	J
1	Hours	6.00	8.00	12.50	6.00	12.00	7.00	6.00
Shift	Scheduled	H	Q	N		K	I	
2	Hours	6.00	4.25	6.00		5.00	6.50	
Shift	Scheduled							

Time Report template / Week 1 / Week 2 / Payroll Schedule

Auto-Calculating Time Report Tools Reduce Errors - Worksheet Cont.



Payable by Pay Period Ending (subject to review and approval):		3/14/2015		For Pay Check Date:		3/21/2015	
Summary of Total Hours Actually Worked By Designated Physician:							
Designated Physician:	Short Name	Contract #	Weekday hours	Weekend hours	Total Hours	Amount	
Physician A	A		0.00	8.00	8.00	\$680.00	
Physician B	B		5.00	6.00	11.00	\$885.00	
Physician C	C		8.00	0.00	8.00	\$600.00	
Physician D	D		4.50	0.00	4.50	\$337.50	
Physician E	E		12.00	0.00	12.00	\$900.00	
Physician F	F		9.50	6.00	15.50	\$1,222.50	
Physician G	G		6.75	0.00	6.75	\$506.25	
Physician H	H		2.00	10.00	12.00	\$900.00	
Physician I	I		0.00	6.50	6.50	\$552.50	
Physician J	J		0.00	6.00	6.00	\$510.00	
Physician K	K		1.00	4.00	5.00	\$415.00	
Physician L	L		7.00	0.00	7.00	\$525.00	
Physician M	M		12.00	0.00	12.00	\$900.00	
Physician N	N		6.00	0.00	6.00	\$450.00	
Physician O	O		6.00	0.00	6.00	\$450.00	
Physician P	P		12.50	0.00	12.50	\$937.50	
Physician Q	Q		4.25	0.00	4.25	\$318.75	
Physician R	R		8.00	0.00	8.00	\$600.00	
Total Hours Reported for Clinical Coverage			104.50	46.50	151.00	11,790.00	
Hospital Responsible Manager/Director Signature					Date		
Compliance Reviewer Signature					Date		

Amounts to be paid are auto-calculated based on hours reported and hourly rate listed in Payroll Schedule Tab

Case Study #2 – Late Timesheet Submission



Dr. Smith works in an Outpatient Clinic as the Attending Physician who supervises and teaches residents in the Clinic, along with other teaching related duties and requirements. She has not submitted timesheets for 12 months and delivers them to the Administrator's desk and states that she expects to be paid for the time she submitted. The Clinic Manager has inadvertently thrown out the paper calendar that showed the dates Dr. Smith worked during the applicable 12 month period.

Late Timesheet Case Study Conclusion



- Does your organization have a Vendor Invoice Policy that limits the time period the physician can submit for
- Consider the Statute of Limitations in your state
- Must perform a thorough review of time submitted to ensure services were actually performed
 - If no paper schedule, go into EMR system and pull Progress Notes for dates reported by physician to verify they worked that day
- Consider creating tracking tool to monitor receipt of timesheets and hold managers accountable for follow-up

Case Study #3 Compensation – Employed Physicians



Sally manages a busy primary care practice with over 100 employed physicians. The physicians are paid on a productivity model (wRVU, some have a guarantee, some are capped), requiring quarterly reviews, with an annual adjustment to salary draw as required. She needs assurance that physicians are being paid per the comp model but does not have the resources or time to maintain or review compensation concordance with the contract manually at the frequency required. Sally must maintain the payroll internally because there is no budget money to outsource monitoring or review. She has access to Decision Support and EPIC records and billing data.

Case Study #3 Compensation – Employed Physicians



- Who owns monitoring? Sally or Compliance?
- What factors should Sally plan to review in this productivity model?
- How should Sally validate that the WRVU's are "real"?
- How can Sally assure that non-billable WRVU's are accounted for in the review model and annual adjustment?
- Should Sally monitor production against a productivity standard?
- What tool(s) serve the most value (efficiency and relevance)?
- Can the tool(s) serve for a Compliance review-validation?

Employed Physician Compensation Dashboard



Robert Smith

Enter Employee ID: **40952**
 Display Data Clear Current Data

Physician Dashboard and Revenue Analysis - Month Ending 6/30/2015

Post Month	Adj wRVU (MTD)	Adj wRVU (YTD)	Budgeted Adj wRVU (MTD)	Budgeted Adj wRVU (YTD)	Charges (MTD)	Charges (YTD)	Units (MTD)	Units (YTD)	wRVUs/Unit (MTD)	wRVUs/Unit (YTD)	Collections	Fiscal YTD Collections	Current Status	Production
January-14	443.14	2,653.77	471.53	2,845.11	42,961	257,490	333	2,053	1.33	1.29	25,203	184,112	Current Status	Production
February-14	297.03	2,950.80	369.09	3,214.20	29,315	206,305	213	2,266	1.39	1.30	26,352	210,463	Contract Type	RVU Tiers
March-14	406.47	3,357.27	440.90	3,655.15	39,776	326,591	296	2,562	1.37	1.31	23,971	234,434	MGMA Category	Family Medicine (without OB)
April-14	375.28	3,732.55	370.11	4,025.29	36,071	362,652	257	2,919	1.46	1.32	29,481	263,916	Current Draw	\$5,769.60
May-14	407.11	4,139.66	402.53	4,427.82	40,029	402,651	288	3,107	1.41	1.33	26,931	290,847	Monthly wRVU Breakover	319.79
June-14	439.10	4,578.76	402.53	4,830.35	42,736	445,417	315	3,422	1.39	1.34	26,731	317,578	Current Month wRVU	415.34
July-14	406.69	4,986.45	390.15	5,220.50	39,753	509,733	301	3,001	1.35	1.35	31,337	31,337	Difference	95.95
August-14	414.41	5,400.86	403.58	5,624.08	41,097	600,830	313	3,174	1.32	1.34	28,601	59,938	Yearly wRVU Breakover	3,037.43
September-14	311.49	5,712.35	363.94	5,988.02	30,728	631,558	251	3,065	1.24	1.31	30,194	90,121	Annualized Total wRVUs	4,688.76
October-14	421.35	6,133.70	441.76	6,430.78	42,268	673,804	302	3,257	1.07	1.24	28,675	115,796	Annualized Status	851.33
November-14	370.35	6,504.05	388.05	6,818.83	36,406	710,210	320	3,577	1.16	1.22	29,910	145,706	Panel Size	2,301
December-14	394.60	6,898.65	351.21	7,170.04	42,069	752,279	329	3,906	1.20	1.22	36,151	181,867	For Primary Care providers, Panel Size is defined the number of patients that have the PCP listed as the current PCP in their patient record in Epic. All other specialties are defined as unique patients seen within the prior 18 months.	
January-15	465.81	7,364.46	423.15	7,593.19	45,765	838,044	366	4,272	1.29	1.23	35,512	208,369	Notes: - This tool measures productivity on a Date of Entry basis and does not include other sources of productivity or compensation. - Budgeted RVUs are for informational purposes and were used as part of the budget process.	
February-15	295.92	7,660.38	348.44	7,941.63	31,204	869,248	220	2,692	1.36	1.24	23,107	231,476		
March-15	418.53	8,078.91	410.50	8,352.13	44,114	913,362	335	2,827	1.25	1.24	27,841	259,418		
April-15	392.05	8,470.96	372.64	8,724.77	40,623	953,985	296	3,125	1.32	1.25	28,526	288,344		
May-15	376.22	8,847.18	409.22	9,134.01	39,434	1,003,414	290	3,415	1.30	1.26	28,296	316,629		
June-15	415.34	9,262.52	397.36	9,531.37	43,742	1,047,156	320	3,735	1.30	1.26	30,528	347,555		
Fiscal Year Total		4,688.76		4,700.00		482,866		3,735		1.26		347,555		
Fiscal Year Average		390.73		391.7		40,238.83		311		1.26		28,963		
MGMA 50th Std.		4,763		391.7		40,238.83		314		1.33		38,492		461,900

Adj wRVU's By Date of Entry

Charges By Date of Entry

Employed Physician Compensation Dashboard



Enter Employee ID: 40362

6/30/15 Provider Compensation Reconciliation

Date	Charges	Adj wRVU	Additional wRVUs	Total Adj wRVUs	Comp Rate	Productivity Earned	Mid Level Supervision	Other	Total Earned	Total Paid	Net	Guarantee	Bonus/ (Deficit)
7/1/14 - 6/30/15	482,866	4,688.8	0.6	4,689.4	38 / 43	186,642.91	-	11.66	186,654.57	173,235.51	13,419.06	-	13,419.06

Note:
 - This calculation represents the fourth quarter compensation reconciliation for FY15.
 - All data is from 7/1/14 through 6/30/15.

Current Status: Production
 Contract Type: RVU Tiers

Total Draw	150,009.60
1st Quarter Bonus	5,536.02
2nd Quarter Bonus	7,577.00
3rd Quarter Bonus	10,112.89
Total Compensation	173,235.51

Monitoring Remuneration Subject to Annual Cap - Example Tool

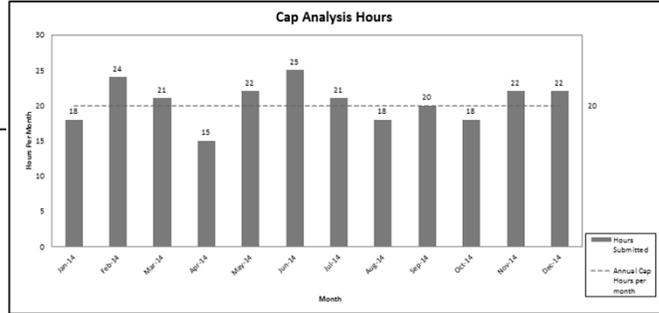
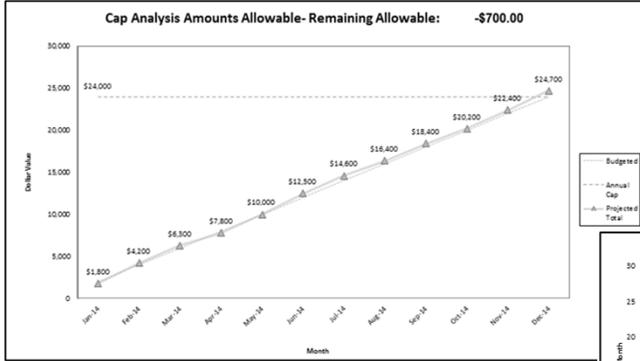


Cap Analysis

Insert Reference # from Compliance Payment Database and Cap Analysis auto-populates with all data below

Physician A		The Group		Medical Director	
Designated Physicians		Physician Group (Provider)		Position/Title	
MediTract Contract #:	5555555	Contract Year From:	1/1/2014	Through:	12/31/2014
Annual Cap:	\$24,000.00	Monthly Allocation:	\$2,000.00	Reference #:	97
Hourly Rate:	\$100.00	Hours Per Month:	20.00	Annual Hours:	240.00
Month of Service	Amount Paid	Amount Submitted	Hours Submitted	Projected Total	Budgeted
January-14	\$1,800.00	\$1,800.00	18.00	\$1,800.00	\$2,000.00
February-14	\$2,400.00	\$2,400.00	24.00	\$4,200.00	\$4,000.00
March-14	\$2,100.00	\$2,100.00	21.00	\$6,300.00	\$6,000.00
April-14	\$1,500.00	\$1,500.00	15.00	\$7,800.00	\$8,000.00
May-14	\$2,200.00	\$2,200.00	22.00	\$10,000.00	\$10,000.00
June-14	\$2,500.00	\$2,500.00	25.00	\$12,500.00	\$12,000.00
July-14	\$2,100.00	\$2,100.00	21.00	\$14,600.00	\$14,000.00
August-14	\$1,800.00	\$1,800.00	18.00	\$16,400.00	\$16,000.00
September-14	\$2,000.00	\$2,000.00	20.00	\$18,400.00	\$18,000.00
October-14	\$1,800.00	\$1,800.00	18.00	\$20,200.00	\$20,000.00
November-14	\$2,200.00	\$2,200.00	22.00	\$22,400.00	\$22,000.00
December-14	\$2,300.00	\$2,200.00	22.00	\$24,700.00	\$24,000.00
Total	\$24,700.00	\$24,600.00	246.00		
Remaining Allowable:	(\$700.00)	Average Hours:	20.50		
On Track to be under Cap at end of Contract Year	NO	Projected Month Cap will be reached	December-14	Projected Amount of Last Payment	\$2,300.00

Monitoring Remuneration Subject to Annual Cap - Example Tool

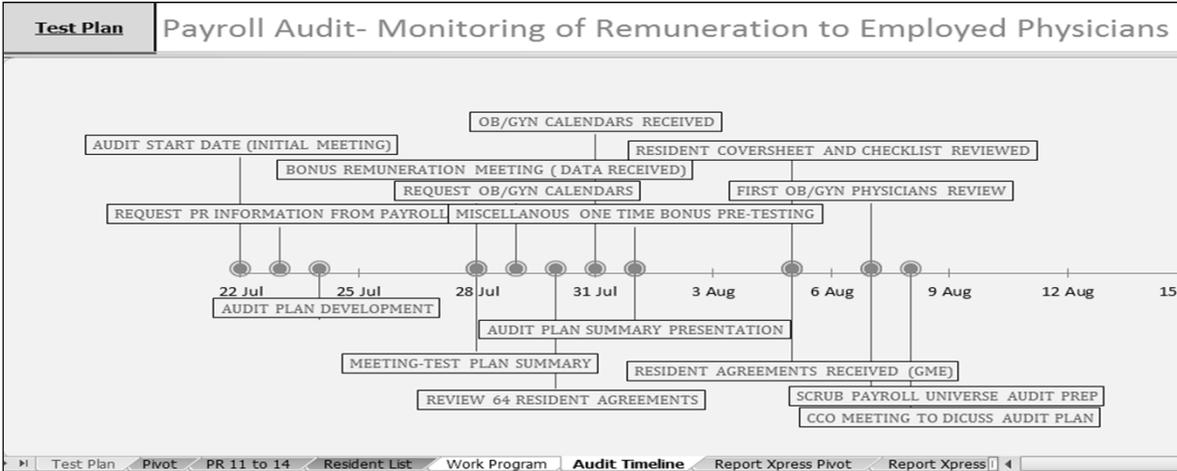


Plan the Work – Work the Plan



PROJECT DETAILS	
DATE	Event
Tuesday, July 22, 2014	Audit Start Date (Initial Meeting)
Wednesday, July 23, 2014	Request PR Information from Payroll
Thursday, July 24, 2014	Audit Plan Development
Monday, July 28, 2014	Bonus Remuneration meeting (Data Received)
Monday, July 28, 2014	Meeting -Test Plan Summary
Tuesday, July 29, 2014	Request OB/GYN Calendars
Wednesday, July 30, 2014	Review 64 Resident Agreements
Thursday, July 31, 2014	OB/GYN Calendars and Documentation Received
Friday, August 01, 2014	Audit Plan Summary Presentation
Friday, August 01, 2014	Miscellaneous One Time Bonus pre-testing
Tuesday, August 05, 2014	Resident Agreements Received (GME)
Tuesday, August 05, 2014	Resident Coversheet and Checklist Received
Thursday, August 07, 2014	Scrub Payroll Universe Audit Prep
Thursday, August 07, 2014	First OB/GYN Physicians Review
Friday, August 08, 2014	CCO Meeting to Discuss Audit plan
Friday, August 22, 2014	Review to add GME-14-15 Residents to Contract Database
Monday, August 25, 2014	Management Request for xxxx Productivity Data

Charted Work Plan Excerpt - In Excel



Test Plan Pivot PR 11 to 14 Resident List Work Program Audit Timeline Report Xpress Pivot Report Xpress 4

Payroll Audit – Physician Compensation Model



Employed Physician – Compensation Model Audit	
Objective	Our objective is to verify that each physician compensation model is applied accurately and consistent with the terms of the contract
Universe	All employed physicians paid under a compensation formula Examples: IM, FP, Surgery, OB-GYN, Cardiology, Oncology
Sample Determination	100% test - compensation model math (annually or when adjusted); RAT STATS individual sample for each compensation model; Review of Compensation Database for anomalies
Test	Source verification of amounts: WRVU data Per terms: WRVU rate, Adjustments, Sign-On Bonus, Timing of Adjustments, Bonus Allocation, Quality Metric Compliance, Physician Extender-Related Compensation, Other (per terms)
Results	Draft Results - No material findings; compensation formulas stable, adjustments timely, quality metrics performance acceptable Action Plan of Correction – N/A

Compensation Model Audit - Draw Validation



Physician Name	Draw Basis	Fiscal Years RVUS	RVU Basis	Basis Variance	Guarantee (Other)	FY14 Final Bonus (ROB)	Validation	Notes
Physician 1	\$52,307.20	1,171.11	\$46,844.40	\$0.00	\$6,538.46	\$0.00	0.00	Guarantee
Physician 2	\$245,566.00	6,497.08	\$259,883.20	\$14,317.20	\$0.00	\$14,317.20	0.00	
Physician 3	\$280.80	21.74	\$826.12	\$545.32	\$0.00	\$545.32	0.00	
Physician 4	\$199,992.00	1,931.61	\$96,580.50	\$0.00	\$100,000.00	\$0.00	0.00	BWC Stipend
Physician 5	\$139,998.28	3,887.31	\$152,154.33	\$12,703.70	\$547.65	\$12,703.70	0.00	Higher Regular 1 Pay
Physician 6	\$269,287.60	7,262.29	\$290,491.60	\$21,204.00	\$0.00	\$21,204.00	0.00	
Physician 7	\$260,892.40	6,975.74	\$279,029.60	\$18,137.20	\$0.00	\$18,137.20	0.00	
Physician 8	\$150,009.60	2,213.27	\$84,104.26	(\$57,496.39)	\$8,408.96	(\$57,496.39)	0.00	
Physician 9	\$189,976.39	4,964.48	\$198,472.64	\$9,362.06	\$865.80	\$9,362.06	0.00	CPCI

Report Xpress Pivot Report Xpress Productivity Review Productivity Loan Forgiveness & Miscellaneous Sheet1 | 4

Payroll Audit – Salaried Physicians

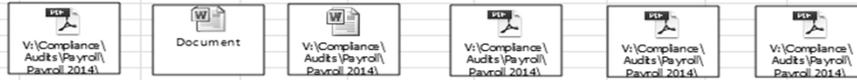


Salaried Physician Remuneration Audit	
Objective	Our objective is to verify that physician remuneration is consistent with the terms of the contract
Universe	All physicians who receive a salary through Payroll as auto-pay and all residents Examples: Nocturnist, Urgent Care; Residents
Sample Determination	RAT-STATS sample from the non-resident universe and all residents (100% review)
Test	Per terms: Salary Rates, Bonus Allocation, Mid-Payroll Start Date, Variable Rates: shift, weekend, multiple roles
Results	Draft Results - No material findings; resident payroll not prorated during initial pay due to mid-pay period start date Action Plan of Correction – pay adjusted for all applicable residents

Resident Audit - Pivot Table with Supporting Documentation



NAME	PER_END_DAT E	CHECK_DES C	Total	Resident Salary	Remaining Wage	Rate	Hours	Day(s) in Report Express	Day of week
R1	7/5/2014	REGULAR1	\$780.00	\$0.00	\$780.00	\$65.00	12.00	7/5/2014	Saturday
R1	7/19/2014	REGULAR1	\$770.00	\$0.00	\$770.00	\$55.00	14.00	7/16/2014	Wednesday
R2	7/5/2014	BNSPHYWN	\$140.00	\$0.00	\$140.00	\$10.00	14.00	6/29/2014	Sunday
R2	7/5/2014	REGULAR1	\$3,041.60	\$2,061.60	\$980.00	\$70.00	14.00	6/29/2014	Sunday
R2	7/19/2014	REGULAR1	\$2,061.60	\$2,061.60	\$0.00	\$70.00	0.00	Resident	0
R3	7/5/2014	REGULAR1	\$2,350.40	\$2,350.40	\$0.00	\$70.00	0.00	Resident	0
R3	7/19/2014	BNSPHYWN	\$355.00	\$0.00	\$355.00	\$10.00	35.50	7/11/2014,7/12/2014, 7/19/2014	Friday, Saturday, Saturday
R3	7/19/2014	REGULAR1	\$4,835.40	\$2,350.40	\$2,485.00	\$70.00	35.50	7/11/2014,7/12/2014, 7/19/2014	Friday, Saturday, Saturday
R4	7/5/2014	ON-CALL	\$1,020.00	\$0.00	\$1,020.00	\$85.00	12.00	Urgent Care	0
R4	7/5/2014	REGULAR1	\$2,061.60	\$2,061.60	\$0.00	\$70.00	0.00	Resident	0
R4	7/19/2014	BNSPHYWN	\$80.00	\$0.00	\$80.00	\$10.00	8.00	7/12/2014	Saturday
R4	7/19/2014	REGULAR1	\$4,301.60	\$2,061.60	\$2,240.00	\$70.00	32.00	7/12/2014, 7/16/2014, 7/17/2014	Saturday, Tuesday, Thursday
R5	7/5/2014	REGULAR1	\$2,061.60	\$2,061.60	\$0.00	\$70.00	0.00		Saturday
R5	7/19/2014	BNSPHYWN	\$280.00	\$0.00	\$280.00	\$10.00	28.00		Saturday
R5	7/19/2014	REGULAR1	\$4,861.60	\$2,061.60	\$2,800.00	\$70.00	40.00		Saturday
R6	7/5/2014	REGULAR1	\$1,374.24	\$1,374.24	\$0.00	\$70.00	0.00	Resident-Prorated time before Graduation	0
Grand Total			\$30,374.64	\$18,444.64	\$11,930.00		\$245.00		



Pivot PR 11 to 14 Resident List Work Program Audit Timeline Report Xpress Pivot Report Xpress

Accounts Payable Audit – Remuneration Paid to Non-Employed Physicians



Time-Based Remuneration Audit	
Objective	Our objective is to verify on an annual basis that physician remuneration is consistent with the terms of the contract and is supported by evidence of time worked
Universe	All physicians who request payment by submitting timesheets
Sample Determination	All physicians who submit timesheets. Sample includes xx physicians as of x/xx/xx
Test	1 month in the year - subjective selection of varying duties (at least 3 that encompass job duties). Supporting documentation of time worked reviewed to validate time worked per the contract
Results	Initial Review in Progress. One finding - Physician did not submit (maintain for future review) back-up documentation; however, sufficient evidence of time worked was recompiled upon request using sign in sheets, minutes and other evidence (e.g., calendar, publications)

AP Audit – Remuneration Paid to Non-Employed Physicians Cont.



VENDOR NAME		VENDOR NUMBER	Dollars Paid vs Approved)	Incorrect Payee	Duplicate Payment	Compliance Appr. but not sent to AP
Physician Vendor 1		10001xxxx				
Physician Vendor 2		100010xxxx	-\$2,405.00			
Physician Vendor 3		20000xxxx		\$2,640.00		
Physician Vendor 4		10001xxxx			\$211.22	
Physician Vendor 5		99900xxxx		\$10,185.00		
Physician Vendor 6		10003xxxx				
Physician Vendor 7		20000xxxx				-\$250.00
Physician Vendor 8		10000xxxx	\$9,503.22			
Physician Vendor 9		20000xxxx			\$2,480.00	
Physician Vendor 10		20000xxxx	\$400.00			
Physician Vendor 11		20000xxxx				
Physician Vendor 12		20000xxxx		-\$10,185.00		
TOTALS			\$7,498.22	\$2,640.00	\$2,691.22	-\$250.00
Transactions Audited	3741	Total Audit Period AP Spend - CMP Vendor Classification				\$29,041,009.66
Transactions in Error	12	Error Rate				0.043%

FINDINGS NARRATIVE
 [Insert]

Additional Questions?

