



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

DATE: October 31, 2022

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

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

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

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

A handwritten signature in black ink that reads '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:

- Duties of Compliance officer,
- Training,
- Reporting of Potential Issues or Areas of noncompliance,
- Patient Confidentiality,
- Compliance Working Committee,
- Reimbursement and Billing,
- Laboratory Services,
- Cost Reports and Credit Balances,
- Hazardous and Medical Waste Disposal,
- Managed Care,
- DEA Compliance,
- Emergency Care,
- Direct-to-Consumer Marketing and patient Waivers of Co-Payments and Deductibles,
- Contractual/Financial Arrangements with Physicians, and
- Rehab Institute Code of Conduct.

Revised:

- None.

II. COMPLIANCE OFFICER

The Compliance Officer attended the following meetings during the quarter:

- American Hospital Association - Chief Compliance Officer's/Medicare Advantage Sub-Committee: Five Sessions, and
- Health and Human Services – Security Risk Assessment Tool Updates.

III. TRAINING AND EDUCATION

The following compliance training was provided during the quarter:

- New Employee Orientation: Thirteen Sessions,
- Leadership Essentials: Two Sessions, and
- Compliance Working Committee: One Session.

IV. MONITORING & AUDITING

V. RESPONSE & PREVENTION

A. Internal Audit

Internal Audit of Memorial Healthcare System Telehealth Interaction Identification and Data Security System

Background

The Coronavirus (COVID-19) pandemic accelerated the use of video conferencing between patient and providers, also known as “telehealth”. To prevent the spread of COVID-19 early in the

pandemic, millions of doctors' visits and health care check-ups were postponed or even canceled. In many other cases, these traditionally in-person visits were conducted instead by phone or video conference. There are concerns, however, about the security of patient data during telehealth visits. In response to the COVID-19 pandemic, the Department of Health and Human Services (HHS) temporarily waived certain Medicare restrictions on telehealth. Memorial Healthcare System (MHS) delivers two platforms of telehealth services to facilitate their patients; both of which leverage the use of a web-browser launched either from a personal mobile device or a personal computer to enable the audio/video components of the telehealth session. An appointment scheduled for a future date between a patient and a specific provider is administered through the MyChart platform. An ad-hoc appointment (such as a parent wanting to discuss a suddenly ill child) is delivered through American Well (AmWell).

The Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules require entities to evaluate risks and vulnerabilities in their environment as well as implement reasonable and appropriate security measures to protect the security or integrity of Protected Health Information (PHI) in both physical and electronic formats. The HIPAA minimum necessary standard requires covered entities to take reasonable steps to limit the use, disclosure of, and requests for PHI to the minimum necessary to accomplish the intended purpose. The purpose of this audit was to determine whether the MHS information systems have privacy and security features for telehealth visits, such as, effective password management, automatic logouts, and best practice security measures, including data encryption, prompt software updates, and two-factor or multifactor authentication.

Observations

We captured all Epic MyChart telehealth interactions between July 1, 2022, and September 30, 2022, and all AmWell telehealth interactions between July 1, 2022, and October 12, 2022. We randomly selected 15 telehealth sessions each from Epic MyChart and AmWell. Of the 15 Epic MyChart telehealth sessions, we found that all 15 were logged and had audio present for both the provider and patient. All 15 sessions had video present for the provider, but only 14 had video present for the patient. All 15 sessions utilized the industry standard, as defined by National Institute of Standards and Technology (NIST), of Advanced Encryption Standard with a key-length of 256-bit (AES-256) for data at rest and Hyper Text Transfer Protocol Secure over Transport Layer Security 1.2 (HTTPS:// over TLS 1.2). All provider passwords had been changed within the last four months in accordance with the MHS "Enterprise Username and Password Policy" Standard Practice, and 12 of the patient passwords had been changed within the last three months while the remaining three had been changed in the last nine months in accordance with the MHS requirement that patients change their password annually. Multifactor authentication was enabled by default; however, 8 of the 15 patients opted-out of this feature. All 15 of the provider web browsers had all of the approved Microsoft Edge security patches while 13 of the 15 patient web browsers were updated within 61 days, and the remaining two were updated within 180 days. We were unable to determine if a log-out for inactivity feature was enabled for either the provider or patient sessions. Subsequent to this finding, we verified MyChart enabled a 20-minute session termination feature for the provider and patient sessions. Of the 15 AmWell telehealth sessions, we found that all 15 were logged; however, based on the reports and access provided, we were unable to determine if audio or video were present for either the patient or provider. All 15 sessions utilized the industry standard of AES-256 for data at rest and HTTPS:// over TLS 1.3 for data in motion. The age of both the passwords and browsers for both the patient and provider are unknown. Both multifactor authentication and an auto-logout for inactivity

feature for both the patient and provider were enabled by default. Subsequent to these findings, we learned that MHS has issued a letter of termination to AmWell and is looking for other alternatives. The MHS Compliance office will allow time for the AmWell replacement to be implemented and verified fully functional before a follow up audit is scheduled.

Recommendations

None.

Jeffrey Sturman, Senior Vice President and Chief Digital Officer agreed with our analyzation of the Telehealth security posture. Since there were no recommendations noted, an action plan was not required.

South Broward Hospital District Construction Projects

Twenty-three payment vouchers for 10 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

Eight 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 Contract Pharmacies - FY 2023 Second 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. 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. With respect to preventing duplicate discounts, Memorial Healthcare System (MHS) bills Medicaid for 340B purchased medications, meaning it carves-in Medicaid which is approved by HRSA/ Office of Pharmacy Affairs (OPA). Covered entities are subject to audit by the manufacturers and/or the federal government. Any covered entity that fails to comply with 340B Program requirements may be liable to the manufacturers for refunds of the discounts obtained. To be eligible to receive 340B-purchased drugs, patients (1) must have an established relationship with the covered entity such that the entity maintains records of the individual's care; and (2) must receive health care services from a health care professional employed by the covered entity or under contract or other arrangement with the covered entity such that responsibility for the care remains with the covered entity. Under the guidelines, an individual is not considered a patient of the covered entity if the only health care service received

by the individual from the entity is the dispensing of a drug for subsequent self-administration or administration in the home setting. The only exception is patients of state-operated or -funded acquired immunodeficiency syndrome (AIDS) drug purchasing assistance programs. The Ryan White Clinic was included in this audit. The Division of Infectious Disease is registered as Ryan White Clinic to provide Human Immunodeficiency Virus (HIV)/AIDS treatment and related services to low-income people living with HIV/AIDS. Ryan White Clinic and providers are eligible to participate in the federal 340B Drug Discount Program, which enables them to expand and support care. All prescriptions written in this location for Ryan White patients are 340B eligible.

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). HRSA has developed guidelines to allow covered entities to contract with one or more outside pharmacies to act as dispensing agents. The covered entity and contract pharmacy must establish and maintain a tracking system to prevent diversion of drugs to individuals who are not patients of the covered entity. Covered entities are responsible for monitoring and ensuring contract pharmacy compliance with 340B Program requirements such as patient definition and the duplicate discount prohibition. MHS uses Verity Solutions Group, Inc.'s (Verity) application to help manage its contract pharmacy arrangements. There are seven contract pharmacies and Ryan White Clinic. The purpose of this audit was to determine if MHS contract pharmacies are in compliance with the HRSA 340B Program requirements.

Observations

We examined 176 340B eligible contract pharmacy claims, 22 for each of the seven outpatient pharmacies and Ryan White Clinic, of which 12 were specific targeted areas. All claims submitted met the 340B eligibility requirements.

Recommendations

None.

Dorinda Segovia, Vice President, Pharmacy Services, MHS and Scott Davis, Vice President, Reimbursement and Revenue Integrity, MHS agreed with this audit and since there were no recommendations, an action plan was not required.

Compliance Audit of Documentation and Billing for Sepsis Diagnostic Related Group 870, 871, 872

Background

Sepsis is a body's extreme response to a life-threatening infection. Sepsis happens when an infection triggers a chain reaction throughout the body which without timely intervention may rapidly lead to tissue damage, organ failure and death. Over the years, several consensus and task force updated the clinical definition of sepsis based on the patient's systemic inflammatory response to infection with the goal that early diagnosis would lead to decrease mortality. The International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) provides official guidelines for coding and reporting the diagnosis of sepsis. A diagnosis of sepsis would require the assignment of the appropriate code for the underlying systemic infection, supported by provider documentation of sepsis. If the type of infection is not specified, a code for

unspecified organism is assigned. Severe sepsis should not be assigned unless severe sepsis or an associated acute organ dysfunction is documented. A negative or inconclusive blood culture does not preclude a diagnosis of sepsis in patients with clinical evidence of the condition; however, the provider should be queried to determine the accuracy of a sepsis diagnosis. Septic shock generally refers to circulatory failure associated with severe sepsis, and therefore, represents a type of acute organ dysfunction. For cases of septic shock, the code for the systemic infection should be sequenced first, followed by the code for severe sepsis with septic shock. If severe sepsis is present on admission, and meets the definition of principal diagnosis, the underlying systemic infection should be assigned as principal diagnosis followed by the appropriate code for severe sepsis. When severe sepsis develops during an encounter, the codes should be assigned as secondary diagnosis.

Inpatient hospital stays for patients with a diagnosis of sepsis is assigned Diagnostic Related Group (DRG) 870 Septicemia or severe sepsis with mechanical ventilation (MV) greater than 96 hours, DRG 871 Septicemia or severe sepsis without MV greater than 96 hours with major complication or co-morbidity (MCC), and DRG 872 Septicemia or severe sepsis without MV greater than 96 hours and without MCC. DRGs determine payment reimbursement from Medicare for inpatient hospital stays.

Memorial Healthcare System (MHS) 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 exists at Memorial Hospital Pembroke (MHP) and Memorial Regional Hospital (MRH) for Sepsis DRG 870, 871, 872 for dates of service February 1, 2021, through January 31, 2022. In response to this notice, the Compliance and Internal Audit Department performed an audit at MHP and at MRH for Medicare accounts with assigned Sepsis DRG 870, 871, 872.

At Memorial Hospital Pembroke

The purpose of this audit was to determine if Sepsis DRG was supported by medical record documentation and determine the accuracy of coding, charging and billing at MHP.

Observations

All thirty accounts reviewed had documentation by the provider which supported medical necessity for the diagnosis of Sepsis. All 30 accounts were coded appropriately and the correct DRG was assigned. All accounts were paid.

Recommendations

None.

Stephen Demers, Chief Executive Officer, MHP and Patrick Connor, Chief Financial Officer, MHP agreed with the results of this audit and there were no recommendations, therefore an action plan is not required.

At Memorial Regional Hospital

The purpose of this audit was to determine if Sepsis DRG is supported by medical record documentation and determine the accuracy of coding, charging and billing at MRH.

Observations

All thirty accounts reviewed had documentation by the provider which supported medical necessity for the diagnosis of sepsis. Twenty-seven out of 30 accounts were coded appropriately,

and the correct DRG was assigned. One account was incorrectly coded with DRG 870 when it should be 871 because the amount of time the patient was on MV was less than 96 hours. One account had the incorrect primary diagnosis of sepsis when it should have been the secondary diagnosis. This resulted in the incorrect DRG reported. The third account had the secondary diagnosis incorrectly coded but was subsequently revised resulting in a MCC and a higher DRG. Health Information Management (HIM) had corrected the accounts with coding errors and Accounts Receivable Management (ARM) had rebilled the accounts. All accounts were paid but the three accounts with errors are pending correction in reimbursement.

Recommendations

We recommended that HIM continues to provide sepsis education to coding staff by including sepsis diagnosis routinely in their regular monthly audits for coding.

Peter Powers, 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 Abdominal Paracentesis with Imaging Guidance at Memorial Hospital West

Background

An abdominal paracentesis is a procedure in which a needle or a thin tube called a catheter is inserted into the abdominal cavity to remove excess fluid for testing purposes or as a therapeutic treatment for patients with ascites (buildup of fluid in the abdomen). The needle or catheter is removed at the end of the procedure. Ascites can be a sign of an underlying condition such as liver cirrhosis, heart disease, kidney failure, certain types of cancer and some infections. Removing the excess fluid relieves the pressure on the organs and results in an immediate relief of symptoms during the treatment. Ascitic fluid may be used to help determine the etiology of ascites, as well as to evaluate for infection or presence of cancer. Providers may use ultrasound guidance imaging to select the entry site and insert a needle, avoiding blood vessels and abdominal organs, therefore decreasing potential complications. If an outpatient abdominal paracentesis is performed with imaging guidance, the Current Procedural Terminology (CPT) Code 49083 abdominal paracentesis (diagnostic or therapeutic); with imaging guidance is used for coding and billing the procedure. Imaging should not be billed separately as it is inclusive in CPT code 49083.

The Memorial Healthcare System (MHS) 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 exists at Memorial Hospital West (MHW) from November 1, 2020, through October 1, 2021, for CPT procedure code 49083 Abdominal paracentesis (diagnostic or therapeutic); with imaging guidance. In response to this notice, the Compliance and Internal Audit Department performed an audit of the location with the highest charges for CPT code 49083, the Interventional Radiology (IR) at MHW. The purpose of this audit was to determine if documentation supports medical necessity and determine if abdominal paracentesis with imaging guidance, CPT Code 49083 is coded, charged, billed and paid correctly at MHW.

Observations

All 43 encounters reviewed were for chronically ill patients who required diagnostic or repeated therapeutic abdominal paracentesis for reoccurring ascites. All 43 encounters had the appropriate provider order and the reason for the procedure with the appropriate International Classification of

Diseases, Tenth Revision, Clinical Modification, (ICD-10-CM) diagnosis code. The provider documentation supported medical necessity for all the paracentesis with imaging guidance procedures performed. The documentation of the procedure indicated multiple liters of fluid were aspirated during each encounter and the needle or catheter was removed at the end of the procedure. CPT code 49083 is hard coded to the orders entered by providers. Once the order is completed, the charges for the procedure are posted in Epic. All 43 encounters were coded, charged and billed correctly. All the procedures were paid appropriately.

Recommendations

None.

Vedner Guerrier, Chief Executive Officer, MHW, Felicia Turnley, Chief Operating Officer, MHW and Kevin Corcoran, Chief Financial Officer, MHW agreed with the results of this audit. Since there were no recommendations, an action plan was not required.

Compliance Audit of Documentation and Billing of Simple High Precision Radiation Treatment at MRH

Background

Radiation Therapy plays a major role in the management of cancer along with chemotherapy and surgery by using high-energy radiation beams to destroy cancer cells. Intensity Modulated Radiation Therapy (IMRT) is an advanced type of radiation therapy where computer-based methods are utilized to plan and deliver generally narrow, patient-specific, spatially and often temporally modulated beams of radiation to solid tumors within a patient. IMRT allows for the delivery of a more precise radiation dose to the tumor to preserve the surrounding normal tissues by using non-uniform radiation beam intensities hence, the term High Precision Radiation Therapy. First Coast Service Options, Inc. (FCSO), our Medicare Administrative Contractor (MAC), has a Local Coverage Determination (LCD) titled “Intensity Modulated Radiation Therapy” defining covered clinical indications, limitations, conditions and disease sites when highly conformal dose planning and delivery is required and supports medical necessity. Documentation should include a statement by the treating physician stating the special need and medical necessity for performing IMRT, rather than performing a conventional or three-dimensional treatment. The treatment plan/prescription must define the goals and requirements of the treatment, including the specific dose constraints for the target(s) and nearby critical structures. The physician must also address the other organs at risk or adjacent critical structures, as well as other important information detailed in the LCD. Medicare pays hospitals IMRT services under the Outpatient Prospective Payment System (OPPS). The planning phase for IMRT is paid through a bundled payment that covers a range of services that may be performed as part of developing an IMRT treatment plan.

Memorial Healthcare System (MHS) Compliance and Internal Audit Department received a Comparative Billing Report (CBR), an educational letter from FCSO, indicating that their recent data analyses identified that an aberrancy exists at Memorial Regional Hospital (MRH) for Current Procedural Terminology (CPT) code 77385, Delivery of Simple High Precision Radiation Treatment / Delivery of Simple IMRT for dates of service March 1, 2021, through February 28, 2022. In response to this notice, the Compliance and Internal Audit Department performed an audit of Medicare accounts at MRH with charges for CPT code 77385. The purpose of this audit was to determine if medical record documentation supports medical necessity for CPT code 77385,

Delivery of Simple IMRT and determine the accuracy of coding, billing and payment at MRH.

Observations

We reviewed a total of 22 accounts with 269 dates of service. All 22 accounts reviewed had provider documentation of diagnosis which supported medical necessity for IMRT. All 22 accounts had complete documentation as per LCD IMRT guidelines. All dates of service reviewed for IMRT planning had the appropriate IMRT CPT Codes reported as per LCD guidelines. Out of 269 dates of service, there were four dates of service with claims for CPT code 77386 Delivery of Complex IMRT, with one date of service posted with modifier XE to describe a separate encounter that is distinct from another service (CPT 77385) reported but done on the same date of service. The claims on the four dates of service should have been charged for CPT code 77385 as per documentation. There was no reimbursement difference between the two CPT codes. Subsequently, Account Receivable Management (ARM) corrected and rebilled the accounts on the three dates of service with incorrect CPT code and refunded the account on the one date of service reported with modifier XE. Additionally, there were two dates of service out of 269 that had two different charges for CPT code 77385 for the month of October 2021. According to Ms. Cook, there was a change in the fee schedule on October 5, 2021, reflecting the different price charges which was appropriate. Based on the results of this audit, the data aberrancy noted from the CBR could not be substantiated. The data reflected the volume of patients seen at Memorial Cancer Institute (MCI) as a comprehensive cancer treatment center for the radiation treatment planning and delivery of Simple IMRT.

Recommendations

We recommended Radiation Oncology management reeducate radiation therapists on charging for simple and complex IMRT delivery. We recommended a process be developed by Radiation Oncology management to edit IMRT delivery charges for accuracy prior to billing. We recommended Radiation Oncology management conduct timely and regular audits on billing aside from the quality assurance reports on documentation.

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

Compliance Audit of Documentation and Billing of Complex Radiation Treatment at Memorial Regional Hospital

Background

Radiation Oncology is the medical use of high-energy ionizing radiation in the treatment of malignant neoplasm and certain non-malignant conditions. It involves a specially trained team of professionals performing evaluation and management (E/M) visits, planning which includes radiation simulations, and delivering weekly radiation treatments. The treatment goal is to deliver the patient's prescribed amount of radiation to the cancerous tumor, while limiting the amount absorbed by the surrounding healthy and critical organs. Complexity level for radiation treatment delivery using conventional X-ray is determined by the number of treatment sites and technical guidance used on the treatment fields. The amount of energy of the megavoltage beam does not contribute to its complexity but rather the techniques used to ensure dose homogeneity. Complex Radiation Treatment Delivery is defined by having three or more separate treatment areas using custom blocking, tangential ports, wedges, rotational beam, field-in-field or other tissue compensation that does not meet Intensity Modulated Radiation Therapy (IMRT) guidelines or

electron beam. Current Procedural Terminology (CPT) code 77412 is assigned for complex radiation treatment delivery.

Radiation treatment delivery codes are reported once per treatment session. These codes recognize the technical component only and contain no physician work, the professional component. The physician's documentation within the patient's medical record must support complexity of treatment and the specific energy levels reported to Medicare. In radiation oncology, CPT codes for evaluation and management are not separately reportable except for an initial visit at which time a decision is made whether to proceed with the treatment. Subsequent evaluation and management services are included in the radiation treatment management CPT codes.

Memorial Healthcare System (MHS) Compliance and Internal Audit Department received a Comparative Billing Report (CBR), an educational letter from First Coast Service Option, Inc. (FCSO), our Medicare Administrative Contractor (MAC), indicating that their recent data analyses identified that an aberrancy exists at Memorial Regional Hospital (MRH) for Current Procedural Terminology (CPT) code 77412, Delivery of Complex Radiation Treatment for dates of service from February 1, 2021, through January 31, 2022. In response to this notice, the Compliance and Internal Audit Department performed an audit of Medicare accounts at MRH with charges for CPT code 77412. The purpose of this audit was to determine if medical record documentation supports medical necessity for CPT code 77412, Delivery of Complex Radiation Treatment and determine the accuracy of coding, charging and payment at MRH.

Observations

We reviewed a total of 30 accounts with 209 dates of service. All 30 accounts reviewed had provider documentation of diagnosis which supported medical necessity for the delivery of Complex Radiation Treatment. All 30 accounts had complete documentation as per Centers for Medicare & Medicaid Services (CMS) Claims Processing Manual on Radiation Oncology guidelines. We noted six out of 30 accounts had an opportunity for improvement in obtaining consents prior to radiation treatment as the forms were partially completed and were missing the time from where the patient needs to sign, witnessed by the nurse, and completed with the date and time signed. All except one date of service reviewed had the appropriate CPT code for planning and delivering radiation treatment as per CMS guidelines. On the one date of service, there were claims reported for both CPT code 77280, Therapeutic radiology simulation-aided field setting: simple, and CPT code 77290, Therapeutic radiology simulation-aided field setting: complex. The duplicate charges on the simulation were incorrect and should have been charged for CPT code 77290 only as per documentation. Also, there were two out of 209 dates of service with billing errors as medical record documentation did not support the procedure charged. Subsequently, Account Receivable Management (ARM) had corrected and refunded the account on the one date of service with an additional CPT code reported and the two accounts with billing errors. Based on the results of this audit, the data aberrancy noted from the CBR could not be substantiated. The data reflected the volume of patients seen at Memorial Cancer Institute (MCI) as a comprehensive cancer treatment center at MRH for the Complex Radiation Treatment delivery.

Recommendations

We recommended Radiation Oncology management reeducate the staff in obtaining consents to ensure that the forms are filled completely. We recommended Radiation Oncology management reeducate radiation therapists on charging for radiation treatment services. We recommended a process be developed by Radiation Oncology management to edit radiation treatment service

charges for accuracy prior to billing. We recommended Radiation Oncology management conduct timely and regular audits on billing aside from the quality assurance reports on documentation.

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

Compliance Audit of Documentation and Billing of Platelet, Pheresis, Pathogen-Reduced Each Unit in the Memorial Cancer Institute at Memorial Hospital West

Background

Platelets also known as thrombocytes are blood cells made in the bone marrow. A normal platelet count is necessary to assist the body to form clots which stop or prevent bleeding. Thrombocytopenia is a condition in which a platelet count is low and can result in a severe bleeding. It can occur due to many conditions including cancer, liver disease, pregnancy, infections, several medications, and an abnormal immune system. Cancer patients are primary recipients of platelets due to the harsh effects of chemotherapy. Platelet transfusions are safe and effective for the correction of thrombocytopenia and other blood disorders. It is covered under Medicare when treatment is reasonable and necessary for the individual patient.

There are two methods of platelet collection: whole-blood platelets are derived from four to five whole blood donations, and plateletpheresis are collected from a single donor using a Food and Drug Administration (FDA)-approved automated blood cell separator device to extract platelets from the whole blood then return the rest of the blood back to the donor. Platelets donated through plateletpheresis produces one or more complete doses for a patient, limiting the recipient's exposure to platelets from multiple donors during transfusion. Platelets are stored at room temperature and have a 5–7day shelf-life from the date of collection. Bacterial contamination of platelet is the leading risk of infection from platelet transfusion due to the storage temperature that may facilitate bacterial growth. According to Centers for Disease Control and Prevention (CDC), any blood-borne pathogen has the potential to be transmitted by blood transfusion. Transfusion-transmitted infections (TTIs) are infections resulting from the introduction of a pathogen into a person through blood transfusion. Therefore, the FDA has established regulations for blood establishments and transfusion services to assure the risk of bacterial contamination of platelets is adequately controlled using FDA-approved devices or other adequate and appropriate methods. Currently, the bacterial contamination risk in platelet products is controlled by bacterial testing or pathogen reduction methods which involve treating platelets, pheresis with a pathogen-inactivating agent soon after collection, therefore no further measures to control the risk of bacterial contamination are needed.

Hospitals and outpatient centers receive blood and blood products such as platelets from blood donation centers that are regulated by the FDA. Memorial Hospital West (MHW) Laboratory Department receives all blood and blood products including platelets from OneBlood Donation Center then distributes the products appropriately after the order for transfusion is received from the providers. The Memorial Healthcare System (MHS) 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 their recent data analyses identified that an aberrancy exists at MHW from December 1, 2020, through November 1, 2021, for the administration of Health Care Common Procedure Coding System (HCPCS) code P9073 Platelets, Pheresis, Pathogen-Reduced Each Unit. In response to this notice, the Compliance and Internal Audit Department performed an audit of the location with the highest charges for

HCPCS P9073, the Memorial Cancer Institute (MCI) at MHW. The purpose of this audit was to determine if documentation supports medical necessity for administration of HCPCS code P9073 Platelets, Pheresis, Pathogen-Reduced, and Each Unit and determine the accuracy of coding, charging and payment in the MCI at MHW.

Observations

All 13 accounts with a total of 99 dates of service reviewed were cancer patients receiving chemotherapy who required platelet transfusion. All 99 dates of service had the appropriate provider order which supported medical necessity for the transfusion with the appropriate International Classification of Diseases Tenth Revision, Clinical Modification (ICD-10-CM) diagnosis. According to MHW Laboratory Department's procedure, type and screen are not required for transfusion of platelets. Platelets are selected based on the patient's blood group antigens ABO and Rh antigen which is both positive or negative, inventory levels and platelet expiration date. All 99 dates of service had an ABO/Rh antigen performed within 30 days according to MHW procedure. The appropriate platelets were selected and distributed by the Laboratory Department. The pre-transfusion documentation by nurses indicated informed consents for blood/blood products were obtained for all 99 dates of service. However, we were unable to locate the scanned consent forms on three out of 99 dates of service. Also, we noted that the platelet unit tag for four out of 99 dates of service were not scanned into EPIC. According to MCI management, the consent forms and unit tags are sent to Health Information Management (HIM) Department to be scanned to EPIC as part of the patient's chart. Subsequent to this finding, the MCI management installed equipment to scan all consent forms and unit tags into EPIC to ensure compliance. The start and stop time of transfusion and the required vital signs were documented per policy. All 99 dates of service were coded, charged, and billed correctly. All 99 dates of service were paid appropriately.

Recommendations

None.

Vedner Guerrier, Chief Executive Officer, MHW, Felicia Turnley, Chief Operating Officer, MHW and Kevin Corcoran, Chief Financial Officer, MHW agreed with the results of this audit. Since there were no recommendations, an action plan was not required.

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, none of which were callbacks, were placed to the System's Compliance Hotline covering 14 new topics. Two topics were compliance allegations (two calls). One topic was a HIPAA privacy allegation (two calls). One topic was a quality of care or service allegation (one call). Two topics were workplace safety allegations (two calls). All of the calls were investigated and none of the compliance allegations were substantiated.

Finally, two topics were informational (two calls), and 13 topics (13 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. None were sanctioned during the quarter.

	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	MOB Women Center ANF Group, Inc. #450218 MHM
	Amount	Amount	Amount	Amount	Amount
Original Contract Sum	\$ 5,589,844	\$ 2,841,210	\$ 3,658,618	\$ 4,924,483	\$ 35,067,236
Prior Change Orders	(1,340,949)	(468,141)			(5,101,409)
Budget Transfer			(499,736)		
Current Change Orders		39,672			
Prior Owner Purchase Orders			(646,487)	(143,433)	(750,000)
Current Owner Purchase Orders			41,365	(263,249)	
Current Contract Sum to Date	\$ 4,248,894	\$ 2,412,742	\$ 2,553,759	\$ 4,517,802	\$ 29,215,826
Previous Payments	4,124,271	2,348,556	933,429	3,527,549	27,790,363
		14 64,186	6 226,547	12 217,863	
			7 229,767	13 54,411	
			8 185,948	14 133,609	
Total Payments	4,124,271	2,412,742	1,575,691	3,933,433	27,790,363
Balance	\$ 124,623	\$ (0)	\$ 978,068	\$ 584,369	\$ 1,425,464
Owner Purchased Materials Retainage			122,543	150,746	
Payments	4,124,271	2,412,742	1,575,691	3,933,433	27,790,363
Work completed	\$ 4,124,271	\$ 2,412,742	\$ 1,698,234	\$ 4,084,179	\$ 27,790,363
Status	Active	Active	Active	Active	Active

	NEW					
	Outpatient Behavioral Health ANF Group, Inc. #401122 MRH	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	\$ 3,336,927	\$ 86,165,924	\$ 13,613,113	\$ 2,110,655	\$ 4,677,865	
Prior Change Orders		(13,287,051)				
Budget Transfer		(373,095)				
Current Change Orders	(667,777)					
Prior Owner Purchase Orders			(2,000,000)	(225,832)	(728,004)	
Current Owner Purchase Orders	17,165		(984,941)	244,448	201,480	
Current Contract Sum to Date	<u>\$ 2,686,315</u>	<u>\$ 72,505,778</u>	<u>\$ 10,628,172</u>	<u>\$ 2,129,271</u>	<u>\$ 4,151,340</u>	
Previous Payments		18,123,595	6,513,019	1,634,674	3,639,784	
1	325,612	10 3,454,732	9 269,491	8 244,259	10 88,277	
2	298,648	11 3,063,411	10 206,186		11 215,713	
3	302,538	12 3,268,419	11 555,278			
Total Payments	<u>926,798</u>	<u>27,910,157</u>	<u>7,543,973</u>	<u>1,878,933</u>	<u>3,943,773</u>	
Balance	<u>\$ 1,759,517</u>	<u>\$ 44,595,621</u>	<u>\$ 3,084,199</u>	<u>\$ 250,338</u>	<u>\$ 207,567</u>	
Owner Purchased Materials						
Retainage	72,728	2,298,977	397,051	208,770	207,567	
Payments	926,798	27,910,157	7,543,973	1,878,933	3,943,773	
Work completed	<u>\$ 999,526</u>	<u>\$ 30,209,134</u>	<u>\$ 7,941,024</u>	<u>\$ 2,087,703</u>	<u>\$ 4,151,340</u>	
Status	Active	Active	Active	Active	Active	

	MRI Expansion Engel Construction, Inc. #402417 MRH	Memorial Cancer Institute ANF Group, Inc. #401820 MHS	JDCH Vertical Expansion Robins & Morton Group #460117 JDCH
	Amount	Amount	Amount
Original Contract Sum	\$ 1,335,578	\$ 3,318,035	\$ 108,993,259
Prior Change Orders	74,758	(642,606)	
Budget Transfer	869		
Current Change Orders			
Prior Owner Purchase Orders	108,906	182,424	(16,270,441)
Current Owner Purchase Orders			
Current Contract Sum to Date	\$ 1,520,111	\$ 2,857,853	\$ 92,722,818
Previous Payments	1,403,601	2,658,550	74,395,168
		19 13,980	22 1,449,987
		20 71,798	23 3,139,106
Total Payments	1,403,601	2,744,328	78,984,261
Balance	\$ 116,510	\$ 113,525	\$ 13,738,557
Owner Purchased Materials			
Retainage	73,874		3,708,515
Payments	1,403,601	2,744,328	78,984,261
Work completed	\$ 1,477,474	\$ 2,744,328	\$ 82,692,776
Status	Active	Active	Active

Memorial Healthcare System
RFP and Competitive Quote Audits

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

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

Completed Competitive Quotes	Amount \$	Exceptions
1 Hematology Analyzer Upgrade for Laboratory at MHW	437,364	None
2 Three Year HVAC Controls Software Service Agreement for MRH	498,857	None
3 Bedside Patient Monitor for MRHS	249,979	None
4 Six Year Referral Management and Discharge Planning Extension & Care Coordination Software Subscription for MHS	1,426,932	None
5 Three Year Service Support Maintenance Renewal for Air Conditioning Units at Douglas Road & MRH Data Centers and Remote MHS Locations.	828,000	None
6 Service Agreement for Sterilizer Equipment Maintenance MHS.	653,887	None
7 Time and Attendance and Staffing & Scheduling Solutions for the Workday Conversion Project at MHS	258,400	None
8 License Renewal & Support and Maintenance for the QRadar Security Information Event Management System	152,749	None
9 WorkDay Enterprise Cloud Application Subscription FY 2023	258,318	None
10 COVID Influenza & RSV Test Kits for MHS	918,000	None
11 Service Agreement Renewal for Laboratory Equipment at MRHS	122,178	None
12 Three Year Stryker Tower Service Plan for Surgical Surgical Services at MRHS	106,143	None
13 Network Wireless Access Points Upgrade for MHM	454,224	None
14 Four Year Service Agreement for the IS4000 SK4816 Surgical Da Vinci System at MRH	596,000	None
15 Four Year Service Agreement for the IS4000 SK4817 Surgical Da Vinci System at MRH	596,000	None
16 Surgical Microscope for MHM	270,216	None
17 Heart Lung Equipment for Cardiac Unit at JDCH	659,344	None
18 Anesthesia Monitoring System for MHW	199,560	None
19 Overbed Tables & Cabinets Replacement for Fifth Floor at MRH	166,957	None
20 Janitorial Services for MCI Hallandale Beach	158,010	None
21 Pediatric Emergency Room Renovation for JDCH	1,920,630	None
22 Network Equipment for Server Expansion for MHS	181,440	None
23 Radiology Software for MHS	324,422	None
24 Urology Equipment for MRH	195,649	None
25 Information Technology Security Software Support Renewal for MHS	108,310	None
26 Multi-factor Authentication Licenses for MHS	171,804	None
27 Pantero Microscope for Surgical Services at JDCH	241,445	None
28 Support Renewal of Radiology Digital Dictation Equipment for MHS	196,966	None
29 Support for Wireless Connection at Memorial Cancer Institute, MHW	191,983	None
30 Three Year Service Agreement for Imaging Equipment at Cancer Centers at MRH & MHW	2,294,556	None

**Memorial Healthcare System
Investor Contact Log
Fiscal Year 2023**

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

**Memorial Healthcare System
Non Audit Engagement Report
Q2 FY 2023**

Quarter Ended	RSM US LLP Engagement:		
Q2 FY2023	For professional services rendered and expenses incurred in connection with Memorial Health Network (MHN) IRS Audit for tax year ending 4/30/2019.	\$	20,417
	For professional services rendered and expenses incurred in connection with implementing GASB 87 Technical Lease accounting.	\$	15,645
	Total	\$	36,062
Q2 FY2022	Total spend, provided for comparative purpose	\$	19,331

Quarter Ended	Zomma Group LLP Engagement:		
Q2 FY2023	For professional services rendered and expenses incurred in connection with Non Audit Engagements.	\$	-
Q2 FY2022	Total spend, provided for comparative purpose	\$	-



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 MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

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

Date: November 1, 2022

From: Peter Powers, Chief Executive Officer, MRH
 Walter Bussell, Chief Financial Officer, MRH
 Diane Evangelista, Administrative Director HIM, MHS

Subject: **Action Plan: COMPLIANCE AUDIT OF DOCUMENTATION AND BILLING FOR SEPSIS DIAGNOSTIC RELATED GROUP 870, 871, 872 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 that Health Information Management continues to provide sepsis education to coding staff by including sepsis diagnosis routinely in their regular monthly audits for coding.	HIM will continue to monitor sepsis diagnoses and DRGs by including both in our monthly coding audits. Additionally, sepsis education will be provided to coding staff during monthly coding educational meetings.	Auditing and education will be ongoing.

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: November 8, 2022
From: Peter Powers, Chief Executive Officer, MRH
 Walter Bussell, Chief Financial Officer, MRH *W Bussell* *Peter Powers*
 Meredith Feinberg, VP Oncology Services, MHS
Subject: **Action Plan: COMPLIANCE AUDIT OF DOCUMENTATION AND BILLING OF SIMPLE HIGH PRECISION RADIATION TREATMENT (CPT CODE 77385) AT MEMORIAL REGIONAL HOSPITAL**

DocuSigned by:

Meredith Feinberg

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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 Radiation Oncology management reeducate radiation therapists on charging for simple and complex Intensity Modulated Radiation Therapy (IMRT) delivery.	<p>Response: CPT codes identified and reviewed per occurrence: 77386-was added incorrectly instead of 77385 in one instance per patient during the course of treatment</p> <p>Action: Staff performing procedure daily selects procedure codes and understands 77385 is for Dx: prostate and breast only and reviews throughout the day.</p>	Jan 2023
We recommend a process be developed by Radiation Oncology management to edit IMRT delivery charges for accuracy prior to billing.	<p>Response: Manager reviews completion at end of day.</p> <p>Action: Staff education reinforced to complete Activity Capture Review at end of treatment for each patient. Any corrections found during audits are reported to Management.</p>	Jan 2023
We recommend Radiation Oncology management conduct timely and regular audits on billing aside from the quality assurance reports on documentation.	<p>Action: Activity Capture Review Completion will be audited monthly and logged on the Chart Review Log and Metrics Spreadsheet.</p>	Jan 2023

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



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MEMORIAL HOSPITAL WEST • MEMORIAL HOSPITAL MIRAMAR • MEMORIAL HOSPITAL PEMBROKE

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

Date: November 8, 2022

From: Peter Powers, Chief Executive Officer, MRH
Walter Bussell, Chief Financial Officer, MRH
Meredith Feinberg, VP Oncology Services, MHS

DocuSigned by:
Meredith Feinberg
ABA898ED63A9418...

Subject: **Action Plan: COMPLIANCE AUDIT OF DOCUMENTATION AND BILLING OF COMPLEX RADIATION TREATMENT (CPT CODE 77412) 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 Radiation Oncology management reeducate the staff in obtaining consents to ensure that the forms are filled completely.	Response: Staff to identify missing dates and times on consents. Action: Staff and MD education reinforced to obtain date and time in every consent.	Jan 2023
We recommend Radiation Oncology management reeducate radiation therapists on charging for radiation treatment services.	Response: CPT codes added in error were identified and reviewed per occurrence: Action: Education with staff performing procedure to review and select accurate procedure codes.	Jan 2023
We recommend a process be developed by Radiation Oncology management to edit radiation treatment service charges for accuracy prior to billing.	Response: Manager reviews completion at end of day. Action: Staff education reinforced to complete Activity Capture Review at end of treatment for each patient. Any corrections found during audits are reported to Management.	Jan 2023

We recommend Radiation Oncology management conduct timely and regular audits on billing aside from the quality assurance reports on documentation.	Action: Activity Capture Review Completion will be audited monthly and logged on the Chart Review Log and Metrics Spreadsheet.	Jan 2023
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cc: K. Scott Wester, President and Chief Executive Officer, MHS