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February 16, 2009

Steve J. Theriot, CPA
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804-9397

RE: Single Audit Finding at Earl K. Long Medial Center
Inadequate Control Over Financial Class Determinations

Dear Mr. Theriot:

The Louisiana State University Health Care Services Division (HCSD) concurs in part with the referenced single audit finding for Earl K. Long Medical Center (EKLMC). HCSD Management would like to bring attention to the fact that the FY 2008 audit sampling was selected from a period prior to the issuance of the previous FY 2007 audit with a similar finding and feels that the hospital was not given ample opportunity to implement and monitor corrective actions before another audit was performed and the hospital cited for the same control deficiency.

Acknowledging the financial class errors identified, HCSD Management expects without delay for all patient accounts found to be classified as Free Care inappropriately or not to have supporting documentation be reclassified as Self-pay by the hospital and the patients will be billed accordingly, including the employees of EKLMC. In addition, HCSD Management requires that the EKLMC management notify the HCSD CEO upon completion of the required re-classifications. In a recent Internal Audit for EKLMC on inappropriate Free Care assignment HCSD Management's response and the corrective action plan are appropriate to submit as the response for this EKLMC single audit finding as follows:

- *Inaccuracies in Appropriate Free Care Financial Class Determination*

Patient Financial Services revised the HCSD Admit/Registration and Financial Screening policy (#1503) on December 31, 2007 which included changes removing a previously required notarized statement and eliminated the burden of notary fees for patients with no income. The new requirement is an HCSD Standardized Statement of Support (*See Attachment A*) indicating the patient's residence and attesting to their financial status. The hospital staff taking the application must sign the form witnessing the patient's statement. The Admit Screening policy was revised again effective date December 31, 2008 and provides the hospitals with a standard Medically Indigent Care Request Information form (*See Attachment B*) which determines through one or

more forms of income that a patient can qualify for Free Care ensuring the accuracy and appropriateness of financial class assignment during the registration process.

A new standardized Income and Insurance Attestation form (*See Attachment C*) will be introduced January 2009, and will be required to accompany all medically indigent applications. The form requires the applicant to attest to the fact that all reported income and insurance coverage information is complete and accurate.

HCSO Patient Financial Services also coordinates monthly video conference meetings with the hospital Admit Managers and provides ongoing guidance and understanding on the importance of accuracy in the financial class assignment by the Hospital Admit Technicians. The hospital Admit Managers are responsible for the weekly review and reporting of patients qualifying or re-qualifying for Medically Indigent eligibility. A standardized ad-hoc report has been created that will be used by the Admit Managers for their review (*See Attachment D*). The Admit Managers are also required to address any errors done by Hospital Admit Technicians.

The hospital Admit Managers' are responsible for reporting (*See Attachment E*) all weekly findings to the hospital CFO.

The hospital CFO will ensure corrective action is taken timely on all incomplete and/or inaccurate records including communicating any determined inaccuracies with other HCSO hospitals' CFO if the reviewing facility was not the screening facility.

In addition, the hospital Admit Managers are responsible for separately reporting (*See Attachment F*) to the hospital CFO on a monthly basis the total number of employee-patients with encounters classified as free care and the total with complete documentation. The required acceptable standard for complete documentation scanned into document imaging is 100% with a accuracy rate of the data collected not being lower than 90%. The hospital CFO is responsible for reviewing this process on a monthly basis and also is required to provide (*See Attachment G*) the Patient Financial Services Director the number of Medically Indigent employee-patients classified as medically indigent and the number that are determined to be screened and classified incorrectly and the corrective action taken by the hospital. The hospital Administrator and the HCSO CEO will be notified of instances when the hospital CFO fails to provide acceptable and timely results of their hospital's monthly data and actions.

- *Inaccurate Classification of Employee-patients with Health Insurance Coverage*

The HCSO Admit Screening policy (#1503) specifically addresses that any third party health insurance benefits (Medicare, Medicaid, Commercial Health Insurance Benefit Plans, Workers' Compensation, and Liability cases), provided by patients should be validated by the Hospital Admit Technician through the admit screening process. The hospital Patient Accounting process consists of the submission of claims and follow-up collection contacts to the health insurance plans captured at registration. When any inaccurate financial class and/or classification are recorded through the registration process and identified, they are communicated to the Admit Managers to take corrective actions in an effort to prevent future errors.

In addition, in November 2008, HCSO Patient Financial Services began collecting data to produce a monthly ad-hoc report (*See Attachment H*) which was made available via VPS on December 1. The hospitals were made aware that this ad-hoc was to be used as a monitoring resource to ensure that employee-patients are screened and classified appropriately, according to the HCSO Admit Screening Policy (#1503), as Medically Indigent. In addition, in mid-

November the registration screen flows were enhanced with a 3 digit employer code to begin capturing standard employer codes for either LSU or LSU-HCSD hospitals.

The hospital Admit Managers and hospital CFOs were notified on November 12, 2008, via email of this report's availability and required hospital usage. The hospital CFOs are required, on a monthly basis, to provide the Patient Financial Services Director the number of Medically Indigent employee-patients classified as medically indigent and the number that are determined to be screened and classified incorrectly and the corrective action taken by the hospital. The hospital Administrator and the HCSD CEO will be notified of instances when the hospital CFO fails to provide the tabulation of their hospital's monthly data and actions.

The Admit Screening managers were reminded of these changes in their December video conference manager's meeting (ad-hoc generation and new employer codes) and the benefit of hospital's monitoring the reports and taking the necessary corrective action was emphasized. This Internal Audit finding and the HCSD corrective action plan will continue to be discussed at the monthly meetings during the fiscal year.

A summary of roles and responsibilities regarding the above processes and reporting requirements has been developed (*See Attachment D*).

Should you have any questions or need additional information, please contact Sue Tolbert, EKLMC Chief Financial Officer at (225)358-1004, Dr. Kathy Viator, EKLMC Hospital Administrator at (225)358-1002, Guy LaBauve, HCSD Patient Financial Services Director at (225)763-8537, or Art Landry, HCSD Director of Financial Services, at (225)922-1157.

Sincerely,



Michael K. Butler, MD, MHA, CPE, FACPE
Chief Executive Officer

Attachments:

- A – HCSD Standardized Statement of Support
- B – Medically Indigent Care Request Information Form
- C – Medically Indigent Income and Insurance Attestation Form
- D – Medically Indigent Patients' Qualifying or Re-qualifying Ad-hoc
- E – Admitting Weekly Report of Patients Qualifying or Re-qualifying
- F – Admitting Monthly Report of Employee-patients Screened
- G – Hospital Monthly Report of Employee-patients Screened
- H – Medically Indigent Employee-patients Screened Ad-hoc
- I – Specific Roles and Responsibilities

cc: Clay Dunaway, HCSDA
Art Landry, HCSDA

Kathy Viator, EKLMC
Judy Albin, HCSDA

Sue Tolbert, EKLMC
Guy LaBauve, HCSDA

STATEMENT OF SUPPORT

Patient Name _____

Medical Record # _____

BEFORE ME, the undersigned authority, personally came and appeared and stated the following:

My name is _____

and I reside at _____

I am currently _____

This statement is part of the application for Medically Indigent Care and any false statements could lead to the denial of this application. If denied the patient will be held responsible for all charges incurred.

Date: ____ / ____ /200__

SIGNATURE

Printed Name

Relationship to Patient

Hospital Staff Signature

Printed Name

Insert Hospital Name
Insert Hospital Address
Insert City and, LA ZIP Code
Insert Phone if applicable

Attachment B

Patient Name: _____
Medical Record #: _____
Today's Date: _____



The following information must be provided in order to process an application for the Medically Indigent Program. Eligibility is per eligible family unit which includes self, spouse, and dependents under 18 yrs of age. **Approved eligibility is valid at all LSU HCSD hospitals.**

REQUESTED INFORMATION MUST BE SUPPLIED WITHIN 10 CALENDAR DAYS FROM THE DATE OF SERVICE (FOR INPATIENTS THE 10 DAYS WILL BE FROM DISCHARGE).

Date of Service/Discharge Date: _____ 10 Day Return Date: _____

HAT/Acct. Specialist: _____ Patient Signature _____

Please Supply The Documents Requested Below:

Proof of Patient Identification (provide one of the following)

- Valid Drivers License or Office of Motor Vehicle ID or Military picture ID
- Current School Identification card with picture
- Current Employee identification card with picture
- Valid Passport or Immigration documentation for legal stay in the US

Proof of LA Residency and Intent to Remain in LA (provide one of the following)

- Voter Registration Card or other recent Government item with your address
- Utility or other bill in your name at your address Rent Contract or Lease Agreement
- Valid LA drivers license or LA Office of Motor Vehicle ID card

Social Security (SS) Cards

- For all eligible family unit members
- Other Government documents with SS numbers for eligible family unit members
- Valid Passport or Immigration documentation to validate legal stay in the US

Proof of Employment/Income (provide one of the following for all members of the family unit including yourself and spouse)

- Check Stub(s) for prior 30 days from date of application.
- Food stamp document for the family unit
- Verification of income from current employer covering prior 30 days or a termination letter on the employer's letter head.
- SSI award letter for current year or bank statements (checking/savings) from the last 30 days showing direct deposit records for any Social Security/SSI or Unemployment deposits
- Court orders/check for child Support/Alimony or verification of Workman's Compensation income

Patient Name / MR #

Proof of Self Employment income (provide one)

- Most current year Federal Income Tax Form, Include all 1040 schedules.
- Receipts, check stubs, contracts or sub-contract agreements.

Verification sources of no income

- You will be required to complete a formal "Statement of Support" form at the time of application.

Insurance cards (including Medicare and Medicaid)

- Self, Spouse and eligible family unit members

If any information provide in the application process is found to be untrue the Medically Indigent Eligibility will be revoked without notification and the patient will become responsible for all charges incurred. The information contained in this application may be made available for review of eligibility for all applicable programs.

INSERT HOSPITAL INFORMATION CONCERNING HOURS OF OPERATION, FAX NUMBER, OR PHONE NUMBER HERE

If you are approved for the Medically Indigent Program you will need to reapply after 6 months (approximately 183 days) in order to continue your medically indigent/free care.

Date Application Received _____

- APPROVED for Indigent Care:**
 - Eligible from _____ to _____
- DENIED for Indigent Care:**
 - Reason for Denial _____

Determination Date _____ **HAT/Account Specialist** _____

If you do not qualify for Indigent Care because of income, you may be eligible if you have medical bills (paid or unpaid) from the past 12 months that are more than 20% of your yearly income. Please supply the information above and present medical bills for processing and approval. If approved, you will be eligible to receive free care services for the next 12 months.

- APPROVED: (based medical bills) Eligible from** _____ **to** _____
- DENIED: Reason for Denial** _____
- **Comments** _____

Determination Date _____ **HAT/Account Specialist** _____

MEDICALLY INDIGENT (MI) APPLICATION INCOME & INSURANCE ATTESTATION

Account # _____ MR # _____ Admit/Service Date _____

Name (First) _____ (MI) ____ (Last) _____

The income reported on my Medically Indigent Application reflects all sources (Employment) of income for the family unit.

Yes
 No

The patient, listed above, is not covered by any health insurance plan.

Yes
 No

I understand that any deduction shown as an insurance premium will be confirmed and a determination made that the above patient is not covered by the health insurance plan.

Yes
 No

Comments:

Any false statements may lead to the denial or revocation of this application and the patient shall be held responsible for all patient charges incurred.

Applicant's Signature

Date

Hospital Representative Taking MI Application

Date

Attachment D

DATE 12/30/08 TIME 05:17 P.M. PAGE 2 REPORT *\$A2MIRV MEDICAL CENTER OF LA AT N.O.
 AONW

LISTING OF PATIENTS IDENTIFIED AS MI
 CHECKING MI APP FOR THOSE WITH EXPIRATION DATE ASSIGNED IN 7 DAYS

PATIENT #	MR NO	ADMIT DATE	P T	HOS SVC	MIAPP DATA	MIAP DATE	MIAP USER
9067968	97980032	06/23/08	O	ORX A		12/23/08	TLEWI4
9113818	98025216	08/19/08	C	HYB A		12/23/08	RPITTS
9114902	98025216	08/20/08	C	HYB A		12/23/08	RPITTS
9115648	98025216	08/21/08	C	HYB A		12/23/08	RPITTS
9117022	98025216	08/22/08	C	HYB A		12/23/08	RPITTS
9118408	98025216	08/23/08	C	HYB A		12/23/08	RPITTS
9118165	98025216	08/25/08	C	HYB A		12/23/08	RPITTS
9119792	98025216	08/26/08	C	HYB A		12/23/08	RPITTS
9120808	98025216	08/27/08	C	HYB A		12/23/08	RPITTS
9122215	98025216	08/28/08	C	HYB A		12/23/08	RPITTS
9123410	98025216	08/29/08	C	HYB A		12/23/08	RPITTS
9125428	98025216	08/30/08	C	HYB A		12/23/08	RPITTS
9125938	98025216	09/08/08	C	HYB A		12/23/08	RPITTS
9125981	98025216	09/09/08	C	HYB A		12/23/08	RPITTS
9127148	98025216	09/10/08	C	HYB A		12/23/08	RPITTS
9128389	98025216	09/11/08	C	HYB A		12/23/08	RPITTS
9129655	98025216	09/12/08	C	HYB A		12/23/08	RPITTS
9130419	98025216	09/13/08	C	HYB A		12/23/08	RPITTS
9132700	98025216	09/15/08	C	HYB A		12/23/08	RPITTS
9133282	98025216	09/16/08	C	HYB A		12/23/08	RPITTS
9134653	98025216	09/17/08	C	HYB A		12/23/08	RPITTS
9135638	98025216	09/18/08	C	HYB A		12/23/08	RPITTS
9136766	98025216	09/19/08	C	HYB A		12/23/08	RPITTS
9138235	98025216	09/20/08	C	HYB A		12/23/08	RPITTS
9139132	98025216	09/22/08	C	HYB A		12/23/08	RPITTS
9139908	98025216	09/23/08	C	HYB A		12/23/08	RPITTS
9141205	98025216	09/24/08	C	HYB A		12/23/08	RPITTS
9141960	98025216	09/25/08	C	HYB A		12/23/08	RPITTS
9143229	98025216	09/26/08	C	HYB A		12/23/08	RPITTS
9144292	98025216	09/27/08	C	HYB A		12/23/08	RPITTS
9145625	98025216	09/29/08	C	HYB A		12/23/08	RPITTS
9146083	98025216	09/30/08	C	HYB A		12/23/08	RPITTS
9152129	88945973	10/05/08	F	MED A		12/29/08	TLEWI4
9152272	98259723	10/05/08	E	EMR A		12/26/08	DBAIL1
9160471	49364025	10/14/08	C	CME A		12/26/08	WHOPK1
9163357	70237638	10/17/08	C	COP A		12/26/08	WHOPK1
582357	88518778	10/21/08	H	ASU A		12/22/08	TLEWI4
9167787	98235550	10/22/08	C	CME A		12/29/08	RPITTS
9168344	83322007	10/22/08	P	MED A		12/22/08	RPITTS
9169599	98260868	10/22/08	E	FTU A		12/29/08	BHAINE
9171112	96737345	10/24/08	C	COR A		12/29/08	WHOPK1
9172394	84352156	10/26/08	E	FTU A		12/22/08	RPITTS

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**Admitting Weekly Report
Patients Qualifying/Re-qualifying as Medically Indigent**

Hospital _____ Week Ending _____

- 1. Total number of accounts on report _____
- 2. Total number of unique medical record numbers on report _____
- 3. Total number of medical records accurately classified _____
- 4. Total number of medical records inaccurately classified _____
- 5. Percent accurately classified (No. 3 divided by No. 2) _____
- 6. Actions taken to correct; discipline and/or training _____

* Attach copy of the source report for the CFO to review

**Admitting Monthly Report
Employee-Patients with Medically Indigent Care**

Hospital _____ Month Ending _____

- 1. Total number of accounts on report _____
- 2. Total number of unique medical record numbers on report _____
- 3. Total number of medical records accurately classified _____
- 4. Total number of medical records inaccurately classified _____
- 5. Percent accurately classified (No. 3 divided by No. 2) _____
- 6. Actions taken to correct; discipline and/or training _____

* Attach copy of the source report (A2EMPL) for CFO to review

Hospital Monthly Report
Employee-Patients with Medically Indigent Care

Hospital _____ Month Ending _____

- 1. Total number of unique medical record numbers on report _____
- 2. Total number of medical records accurately classified _____
- 3. Percent accurately classified _____

4. Actions taken to correct; discipline and/or training

5. If percent accuracy is less than 90%, state specific actions are being taken to improve registration processes to meet required accuracy level

As the hospital CFO, I certify that the data listed above is accurate and all stated efforts are being taken to ensure that employee-patients are appropriately assigned Medically Indigent status.

(Signature)

Date

Attachment H

DATE 12/01/08 TIME 02:07 A.M. PAGE 3 REPORT *\$A2EMPL EARL K LONG MEMORIAL HOSP FQ0
 FONW

ACCTS REGISTERED LAST MONTH WHERE GUARANTOR EMPLOYER IS FACILITY

HOSP CD	MED REC	PT NO	PT NAME	F/C	ADM/REG	EMPLOYER NAME
F0	485612	3267771	Axxx ,Cxxxxxxx	8	11/18/08	EKL
F0	547335	3263004	Bxxxx ,Cxxxxxxx	8	11/11/08	MCLNO
F0	016263	3271643	Gxxx ,Sxxxx	8	11/24/08	EARL K LONG MED CTR
F0	016263	3274046	Gxxx ,Sxxxx	8	11/26/08	EARL K LONG MED CTR
F0	243199	3263702	Ixxxx ,Pxxxx	8	11/11/08	EARL K LONG
F0	509327	3264843	Mxxxx ,Dxxxx	8	11/13/08	EARL K LONG MEDICAL CENTER
F0	509327	3272705	Mxxxx ,Dxxxx	8	11/25/08	EARL K LONG MEDICAL CENTER
F0	541952	3267204	Rxxx ,Pxxxx	8	11/17/08	MCLNO
F0	582461	3258451	Sxxx ,Kxxxx	8	11/04/08	EARL K LONG MEDICAL CENTER
F0	582461	3262675	Sxxx ,Kxxxx	8	11/10/08	EARL K LONG MEDICAL CENTER
F0	260669	3269494	Wxxx ,Kxxx	8	11/20/08	HCSO HEADQUARTERS

GRAND TOTALS
 CNT:

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 DT=12/01/08

Summary of Monitoring Roles and Responsibilities For Medically Indigent Classification

HCSO Patient Financial Services

- Monthly meeting/videoconferences with Hospital Admit Managers.
- On-going hospital compliance monitoring of Admit Screening policy requirements.
- PFS Director provides notification to Hospital CFO, Administrator, and HCSO Fiscal Officer when policy requirements and hospital classification performance fail to meet expectations.

Hospital Admit Technician (HAT)

- Indicates in HCSO computer system the appropriate payer classification of all patients at registration.
- Images all complete appropriate patient and employee-patient financial documentation attesting and validating Medically Indigent eligibility application approval in Document Imaging (DI) system.

Hospital Admit Manager

- On-going quality reviews of Hospital Admit Technician's registration inaccuracy rates taking positive corrective actions to resolve.
- Weekly reporting to CFO on accuracy of all Medical Indigent patients qualifying or re-qualifying.
- Monthly reporting to CFO on accuracy of all Medically Indigent employee-patients.

Hospital CFO

- Review Hospital Admit Manager weekly/monthly reports to ensure that required performance standards are met by hospital and when necessary timely corrections occur.
- Monthly reporting (by the 15th of the month) to PFS Director on the employee-patients classified as Medically Indigent (free care), ensuring an acceptable percentage of completeness and accuracy of the information is met, and provides details of any corrective action taken by the hospital.

HCSO Fiscal Officer (HCSO CFO)

- The HCSO CFO will report monthly to the HCSO Chief Executive Officer (CEO) on any hospital performance deficiencies reported by Patient Financial Services.