

THIRD-PARTY AUDIT POLICY

NOTE ABOUT POLICY & PROCEDURE:

THIS AUDIT POLICY SHOULD BE GIVEN TO ALL THIRD-PARTY PAYER REPRESENTATIVES WHO WANT TO AUDIT EL PASO COUNTY HOSPITAL DISTRICT RECORDS. IF THE THIRD-PARTY PAYER REPRESENTATIVE COMES ON-SITE, THEY SHOULD SIGN THIS AUDIT POLICY PRIOR TO ACCESSING THE RECORDS. IF YOU RECEIVE A MAIL REQUEST FOR RECORDS, THIS AUDIT POLICY SHOULD BE SIGNED BY THE THIRD-PARTY PAYER REPRESENTATIVE PRIOR TO SENDING THE RECORDS.

THIRD-PARTY AUDIT POLICY

_____ (the Auditor) hereby agrees and acknowledges that at all times
Name of Third-Party Payer
when conducting an audit of the claims of El Paso County Hospital District (EPCHD), the Auditor
must abide by the EPCHD Third-Party Audit Policy & Procedures (the Audit Policy). EPCHD
will periodically review the Audit Policy and make adjustments as needed.

During the audit process, the Auditor's contact at EPCHD shall be _____ or
Name of EPCHD contact
another designated individual assigned by the EPCHD Medical Records Department (the EPCHD
Contact), who can be reached at _____ and _____.
Phone number Email

EPCHD appreciates the Auditor's cooperation during the audit process.

Name of Auditing Entity: _____

By Agent/Representative: _____

Printed Name: _____

Title: _____

Date: _____

THIRD-PARTY AUDIT POLICY

POLICY

This Audit Policy includes the set of procedures that must be followed if and when any Third-Party Payer wishes to perform an audit or review of EPCHD claims, medical, or billing records.

REFERENCES

TEX. INS. CODE §§ 843.340, 1301.105, 1301.1051, 1301.1053, 1301.107
28 TEX. ADMIN. CODE §§ 21.2809, 21.2818
45 C.F.R. §§ 164.502(c), 164.504(e).

DEFINITIONS

Auditor / Third-Party Payer- The terms “Third-Party Payer” and “Auditor” may be used interchangeably throughout the Audit Policy and shall mean any commercial insurer, authorized party, audit company, or other entity that wishes to perform an audit or review of claims, medical, or billing records at EPCHD or through authorized and secure remote access to EPCHD computer systems.

PROCEDURE

A. General Rules

1. The following rules shall be followed by any Third-Party Payer that intends to perform an audit on EPCHD:
 - a. The Third-Party Payer will only be allowed on EPCHD premises during regular business hours and with the prior consent of EPCHD.
 - b. The Third-Party Payer shall be assigned a work space within EPCHD facilities, when available and on a first-come, first-served basis.
 - c. This Audit Policy cannot be waived, modified, or nullified by contract.
 - d. EPCHD does not attempt to make the patient’s medical record a duplicate patient bill. The purpose of the medical record is to reflect clinical data on diagnosis, treatment, and outcome. Protocols, standing orders, and/or standard EPCHD practices which are not reflected in the medical records will be used and accepted by the Third-Party Payer to substantiate charges on patient bills.

THIRD-PARTY AUDIT POLICY

B. Before the Audit

1. Prior to the commencement of any audit, and as a condition precedent to conducting any audit, the Third-Party Payer **must** pay the charges submitted by EPCHD, at one hundred percent (100%) of the contracted rate. The Third-Party Payer agrees that such public hospital billed charges (*i.e.*, the amounts written on the claim submitted by EPCHD to the Third-Party Payer) are the usual and customary rates for the geographic area for the medical procedures and services that were performed and that the accuracy of the billed amount **cannot** be challenged by the Third-Party Payer. The claim must be paid within thirty (30) days from the date the Third-Party Payer receives a clean claim from EPCHD if the claim is submitted electronically, or forty-five (45) days from the date a clean claim from EPCHD is received if submitted non-electronically.
2. Both prior to the commencement of any audit and as a condition precedent to conduct any audit, EPCHD requires that the following be provided to the appropriate EPCHD department in writing:
 - a. letter of intent to audit with a copy of the explanation of payment, which should show the clean claim has been paid at one hundred percent (100%) of the contracted rate; or
 - b. A clear indication by the Third-Party Payer on the explanation of payment statement in the manner prescribed by rule of the Texas Commissioner of Insurance that the clean claim is being paid at one hundred percent (100%) of the contracted rate, subject to the completion of the audit.
3. The documents referenced in Section (B)(2) above must be received within thirty (30) days from the date the Third-Party Payer receives a clean claim from EPCHD if the claim is submitted electronically, or forty-five (45) days from the date the Third-Party Payer receives a clean claim from EPCHD if the claim is submitted non-electronically.

C. During the Audit

1. If proper notification of the decision to audit a claim and payment at one hundred percent (100%) of the contracted rate is not received by EPCHD in the foregoing payment period, or, if applicable, the extended payment periods allowed for requesting additional information or catastrophic events, then the Third-Party-Payer may not audit a claim.
2. If additional information is requested to complete the audit, the request must specifically describe the clinical information requested and relate only to information that the Third-Party Payer can show in good faith is specific to the claim or episode of care.
3. No additional information is to be requested by the Third-Party Payer to complete the audit

THIRD-PARTY AUDIT POLICY

that is not contained in, or is not in the process of being incorporated into, the patient's medical or billing record.

4. The audit **must be completed** on or before the one hundred and eightieth (180th) day after the date the clean claim is received by the Third-Party Payer.

D. After the Audit

1. The Third-Party Payer must provide written notification of the results of the audit, including a listing of the specific claims paid and not paid pursuant to the audit, a listing of specific claims and amounts for which a refund is due, and the basis and specific reasons for requesting a refund for each claim.
2. If EPCHD disagrees with a refund request from the Third-Party Payer, then the Third-Party Payer must provide EPCHD with an opportunity to appeal and may not obtain a refund until all appeal rights are exhausted.
3. Any additional payment that is due to EPCHD or any refund that is due after completion of the audit must be made not later than the thirtieth (30th) day after the completion of the audit or, for the Third-Party Payer, after EPCHD has exhausted its appeal rights.
4. If EPCHD appeals a request for a refund, EPCHD must give written notice of disagreement with the refund request not later than forty-five (45) days after receipt of notice of completion of the audit. Upon receipt of such written notice from EPCHD, the appeal process must begin in accordance with the Third-Party Payer's contract with EPCHD.
5. An investigation and determination of payment does not extend the time deadline for auditing a claim.
6. In advance of an audit, the Third-Party Payer must disclose any financial or contractual agreement it has with the third-party auditor conducting the audit on behalf of the Third-Party Payer.
7. If EPCHD appeals any audit finding or a portion of an audit finding, no recourse shall be taken by the Third-Party Payer until EPCHD has had the opportunity to exhaust all of its appeal and due process rights.
8. At no time and for no reason shall the Third-Party Payer's audit interfere with ongoing patient care, as determined by EPCHD. Specifically, there shall be no on-site audits in connection with a particular patient if the patient is still undergoing treatment at EPCHD.

THIRD-PARTY AUDIT POLICY

9. No offset may be taken against any other patient's claim amount other than the patient's claim on which the amount was paid.

E. Additional Provisions

1. Prior to conducting any audit, the Third-Party Payer must have entered into an EPCHD Business Associate Agreement with EPCHD as required under 45 C.F.R. §§ 164.502(c) and 164.504(e). Further, if another third-party auditor is conducting the audit on behalf of the Third-Party Payer, the auditor must have entered into an EPCHD Business Associate Agreement with the Third-Party Payer as required under 45 C.F.R. §§ 164.502(c) and 164.504(e). EPCHD may require that the Third-Party Payer enter into a new EPCHD Business Associate Agreement from time to time. Upon request, the Third-Party Payer agrees to provide EPCHD with a signed copy of the EPCHD Business Associate Agreement prior to the audit.
2. Prior to conducting an audit, the Third-Party Payer must disclose a detailed listing and explanation for any pre-disallowed charges. EPCHD reserves the right to refute any pre-disallowed charges conflicting with signed contractual agreements or other appropriate materials.
3. Direct contact with EPCHD hospital departments by the Third-Party Payer is prohibited. Any and all questions regarding clarification of charging practices and protocols are to be directed to the EPCHD Contact.
4. Exit conferences with the EPCHD Contact are required upon the completion of the audit. EPCHD reserves the right to suspend the audit if the Third-Party Payer delays the exit conference for any reason. The Third-Party Payer shall not act upon its audit findings until the exit conference has occurred and consent to such action has been given by EPCHD. EPCHD has forty-five (45) days to contest all findings, otherwise the audit shall be considered finalized.
5. Auditors must comply with the EPCHD-specific charging practices and charges. Refuting charges based on medical necessity, EPCHD costs for items and services, or disallowing charges unspecified in negotiated arrangements between the Third-Party Payer and EPCHD is prohibited.
6. Upon the finalization of the audit, positive and negative adjustments will be made. An audit summary form listing results by department will be prepared. EPCHD considers this audit summary document to be a corrected final net billing to the Third-Party Payer and another claim will not be generated.

THIRD-PARTY AUDIT POLICY

7. The Third-Party Payer's auditors are expected to appear on-site on their scheduled day. Any request(s) to reschedule an audit appointment must be made within the one hundred and eighty (180) day discharge time frame as specified in Section (C)(4). This includes situations in which the Third-Party Payer may be unable to complete the audit process once the audit has begun. In the event the EPCHD Contact cannot accommodate a request to reschedule the audit within the one hundred and eighty (180) day discharge timeframe, EPCHD reserves the right to cancel an audit.
8. Neither the Third-Party Payer nor its auditors are permitted to down-code or otherwise alter the coding for any of the hospital services performed by EPCHD. The Third-Party Payer and its auditors are also not permitted to change or otherwise modify the description of the medical procedures or services that were performed and provided by EPCHD.

F. Confidentiality

1. All parties to a billing audit must comply with federal and state laws and contractual agreements regarding the confidentiality of patient information. All payer, audit, and provider organizations conducting or involved with billing audits should have provisions in their respective codes of ethics outlining their obligation to protect the confidentiality of patient information. In addition, these organizations should have explicit policies and procedures protecting the confidentiality of all patient information in their possession and disposal of this information.

G. Governmental Health Plans

1. If the Third-Party Payer is a Medicaid Managed Care Organization, CHIP provider, Medicare Advantage Plan, Medicare, TRICARE, or other governmental healthcare program (collectively, a Governmental Health Plan), then it will comply with the policy guidelines outlined above. However, to the extent that such policy guidelines conflict with the Governmental Health Plan's regulations (the Governmental Regulations), the Governmental Regulations shall only control when required by state or federal law.
2. For purposes of this policy, the Governmental Regulations shall include Texas Administrative Code § 353.1405, Texas Human Resource Code Chapter 32, and the audit provisions contained in the agreement entered into by and between EPCHD and the Third-Party Payer.

THIRD-PARTY AUDIT POLICY

H. Notifying EPCHD of Intent to Audit

1. All audits will be communicated to EPCHD in the form of a written Letter of Intent to Audit and delivered to the following address:

El Paso County Hospital District
4815 Alameda Avenue
El Paso, Texas 79905
Attention: Audit Requests

[Remainder of page left intentionally blank. Signature page follows.]

THIRD-PARTY AUDIT POLICY

By signing below, I represent and warrant: (i) I am authorized to conduct audits and sign as the agent and representative on behalf of and bind each entity, including but not limited to the insurance plan, payer, employer plan, TPA or subscriber on the audited claim, whether listed or not; and (ii) I irrevocably consent to this policy and have the authority to consent on behalf of each entity as its auditor. I further acknowledge that all audits shall be conducted in accordance with the policy and procedure outlined above.

Insurance Plan, Payer, or Subscriber Represented: _____

By Agent/Representative: _____ Date: _____
(Signature)

Printed Name: _____

Company: _____
(Name of Company)

(Address of Company)

(Address of Company)

System Generated Footer

Approval Signatures:

Leticia Flores, Chief Financial Officer : 11/22
Cathy Gibson, Chief Compliance Officer: 11/22
Jacob Cintron, Chief Executive Officer : 12/22
Henry Gallardo, Board of Managers Chairperson: 12/22

Committee Approvals:

Finance Committee: 12/22
Legal Review : 11/22

Attachments: