

UBO Compliance Program and Manual Updates

DHA UBO Contract Support Team

25 October 2016 at 0800-0900 EDT
26 October 2016 at 1400–1500 EDT

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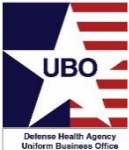
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- Understand what compliance is and why it is needed
- Understand compliance program (CP) requirements and best practices
 - Roles and responsibilities for UBO program
 - Audits
- Understand upcoming key updates to the DHA UBO Manual
- Understand upcoming updates to the DoD UBO Compliance Audit Checklist and Post-Submission Worksheets
- Find ways to improve your compliance program
- Compliance resources



- The strict adherence to laws, rules, regulations, and policies in an effort to reduce fraud, waste, abuse, and mismanagement.
- Consistent application of laws and policies related to the MTF billing and collection process in order to
 - ensure ethical billing and collections by identifying risk areas and to establish and implement solutions (internal controls).
 - encourage employees to report potential problems in “good faith”



- Promotes efficiency
- Supports the overall mission of providing quality health care
- Protects against mistakes
- Helps to detect mistakes
- Helps detect fraud (not anti-fraud), waste, abuse, and mismanagement
- Defines processes
- Establishes internal controls
- Promotes adherence to federal laws
- Protects from unethical business practices which put the MTF at risk for penalties, negative publicity, and loss of public trust
- **IS REQUIRED**

- Must
 - requirements created by statute or regulation; no discretion
- Should
 - expectations identified in guidelines; discretion as to how you accomplish effectiveness
- Best Practices
 - procedures that work well for some facilities; may not work for all

- Federal Managers Financial Integrity Act of 1982 (FMFIA)
 - Requires DoD to implement & assess the effectiveness of financial management internal control
 - OMB Circular A-123, Management’s Responsibility for Internal Control, and Appendix A, Internal Controls Over Financial Reporting (ICOFR)
 - Revenues and expenditures are properly recorded and accounted for on financial and statistical reports
- Chief Financial Officer’s Act of 1990 (CFO Act)
 - Goal: Achieve reliable financial data & safeguard resources from Fraud, Waste & Abuse (FW&A)

- OASD(HA)/TMA Memo, “Compliance Plan Implementation Policy” to ensure that MTFs establish and comply with compliance guidelines (Feb 28, 2002)
 - Establish a compliance plan focused on coding and billing ethical conduct
 - Perform a compliance audit, using an effective audit tool, at least quarterly

- ASD(HA) Memo, “Revision of Compliance Audit Requirements in the DOD 6010.15-M, “MTF UBO Manual, Nov 9, 2006”” (Feb 27, 2008)
 - Implements DoD IG Report No. D-2007-108 “*Outpatient Third Party Collection Program*” (July 18, 2007)
 - *Bills are generated and sent for patient encounters when other health insurance information exists in DoD Systems (e.g., DEERS, CHCS, future electronic health record (EHR))*
 - *Collections from insurance providers are adequately followed up*
 - *All errors and deficiencies found during audits are corrected*

- Sections 6102 and 6401 of the Patient Protection and Affordable Care Act (PPACA) mandate that skilled nursing facilities (SNF), nursing facilities (NF), and other health care providers and suppliers enrolled in Medicare, Medicaid, and the Children's Health Insurance Program adopt compliance programs as a condition of enrollment by March 23, 2013
 - Department of Health and Human Services has not yet promulgated regulations. In the interim, may still look to the HHS Office of Inspector General (OIG) Compliance Program Guidance (similar to DHA UBO program)
 - The OIG's voluntary compliance program guidance documents available at <https://oig.hhs.gov/compliance/compliance-guidance/index.asp>.



Seven Elements of an Effective Compliance Program

- Element 1. Written Policies and Procedures
- Element 2. Designation of a Compliance Officer and a Compliance Committee
- Element 3. Conducting Effective Training and Education
- Element 4. Developing Effective Lines of Communication
- Element 5. Enforcing Standards through Well-Publicized Disciplinary Guidelines
- Element 6. Auditing and Monitoring
- Element 7. Responding to Detected Offenses and Developing Corrective Action Initiatives



- **Duties**

- Oversee and monitor execution of compliance program (CP)
- Review/update CP to ensure relevance and compliance with current federal laws and DoD/Service policies
- Ensure components of CP are executed
- Communicate CP & coding/billing policies & procedures to all personnel involved

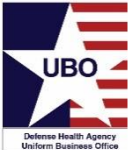
- **Responsibilities**

- Review documents and other activities related to CP
- Assist with internal compliance reviews
- Investigate issues relates to compliance
- Encourage the reporting of suspected fraud, waste, abuse, or mismanagement without fear of retaliation
- Ensure separation of duties (when feasible)
- Notify MTF Commander/CP Director of progress



- **Responsibilities**
 - Advise Compliance Officer and aid in execution of CP
 - Monitor internal program controls
 - Ensure periodic audits are performed
 - Ensures implementation of internal fiscal/admin. controls
- **Recommended Committee Members**
 - Uniform Business Office
 - Legal Office
 - Resource Management
 - Internal Review
 - Health Information Management
 - Medical Staff
 - Nursing Staff
 - Risk Management and Quality Assurance
 - Partner with monthly Data Quality meeting

- Responsibilities
 - Review DHA UBO's and their MTF-specific Compliance Audit Checklist and post-submission worksheets to understand their Compliance Program requirements
 - Provide the UBO Compliance Officer with requested audit information
 - Correct any errors or deficiencies identified during audit
 - Attend training and education for updates
 - Ask questions
 - Report discrepancies



- Develop ongoing education and training programs with periodic updates
- Document all education, training, and attendance
- Provide training on all areas of the compliance program
- Post/distribute compliance program guidelines for all MTF employees
- Provide briefings on how to report discrepancies
- Provide briefings on disciplinary action levels for compliance breaches/violations

- Policies must be implemented
- Achieve desired results
- Updated appropriately
- Enforced
- Messaged from top-down
- Culture reflects requirements and standards
- Finding problems early before large impact
- Decrease in beneficiary complaints
- Increased payer reimbursement
- Effective resolution of problems – compliance issues not recurring
- Data analysis is detecting fraud, waste and abuse



- Available on the DHA UBO Website at <http://health.mil/Military-Health-Topics/Business-Support/Uniform-Business-Office/Policy-and-Guidance>
 - Anti-Fraud Program at Military Treatment Facilities (MTFs)
 - Compliance Plan Implementation Policy
 - Code of Conduct
 - Certification Memo
 - Sample Compliance Committee Charter
 - Third Party Collection (TPC) Claim Post-Submission Worksheet
 - Medical Services Account (MSA) Claim Post-Submission Worksheet
 - Medical Affirmative Claims (MAC) Claim Post-Submission Worksheet
 - Compliance Audit Checklist
 - Annual Review of Compliance Program Effectiveness Checklist
 - Model Compliance Document

- DoD 6010.15-M *Military Treatment Facility (MTF) Uniform Business Office (UBO) Manual* (Nov 9, 2006) -- current version
- Applies to the MSA, TPC, and MAC programs as well as other healthcare billing activities designated by the DoD, such as resource sharing agreements
- Applies to all UBOs (i.e., government, civilian, and contractor staffed)
- Provides UBO operational guidelines
 - Billing procedures
 - Accounting procedures (management and follow-up)
- Updates currently routing for review and approval (slides 18-32)

- DoD Office of General Counsel (OGC) recommendation to reissue as a DHA Procedures Manual (DHA-PM)
 - *“implements policy established in a DoD Directive [DoDD] by providing detailed procedures for carrying out that policy. Includes specific procedural information for implementing policy in the MHS.”*
- DoD Issuance Process – four stages
 - 1. Development
 - 2. Precoordination
 - Action Officer coordinates externally with Military Services and the National Capital Region Medical Directorate (NCR MD) and adjudicates comments; courtesy copies to the Service Secretaries for Manpower and Reserve Affairs (M&RAs) for situational awareness
 - 3. Formal coordination
 - 4. Signature and Publication

- DHA Manual has same authority as DoD Manual per ¶3f of DoDD 5136.13, “Defense Health Agency (DHA)” (Sept 30, 2014)
 - Authorizes the Director DHA to establish and maintain a DHA publications system for regulations, instructions, and reference documents
 - *“approved DHA publications are binding on DoD Components”*
- Reformatted using required DHA Procedures Manual template (see next slide) and resubmitted in Stage 2 “Precoordination”
- Effective upon signature and for 10 years thereafter



Defense Health Agency PROCEDURES MANUAL

NUMBER 6015.aa

RMD

SUBJECT: Military Medical Treatment Facility (MTF) Uniform Business Office (UBO) Operations

MD

References: See Enclosure 1.

1. PURPOSE. This Defense Health Agency-Procedures Manual (DHA-PM) is issued under the authority of DoD Directive 5136.01, "Assistant Secretary of Defense for Health Affairs (ASD(HA))," and DoD Directive 5136.13, "Defense Health Agency (DHA)," (References (a) and (b)). It is based on the policy of and in accordance with the guidance from References (c) through (ah) to:

a. Provide guidelines for the operation of MTF UBOs. It prescribes uniform billing procedures and accounting practices for the management and follow-up of patient accounts, including collecting, depositing, posting, and reconciliation.

b. Prescribe procedures for the Third Party Collections (TPC), Medical Services Account (MSA), and Medical Affirmative Claims (MAC) programs, such as identification of beneficiaries who have other health insurance (OHI), coordination of benefits, and recovery of claims.



- Deleted all appendices, most DHA UBO rate info. and most forms
 - Rates available on DHA UBO Website
 - Forms available on DD Forms Website, except sample DD Forms 2569 (exp. 8/31/19) & 2570 included
- Replaced “TRICARE Management Activity (TMA)” with “*Defense Health Agency (DHA)*”
 - Includes NCR MD/DHA responsibilities as necessary
- Replaced legacy billing systems with “*the billing and collection application*”
- Updated legacy clinical system CHCS to include “*future electronic health records*”
- Updated Patient Category (PATCAT) to include “*future patient classification*”
- Updated PATCAT table to include “*future electronic health record (EHR) solution*”
- Updated DD Form 2569 collection requirements to include hard copy or electronic version, approved 2569 compliance card and OHI discovery

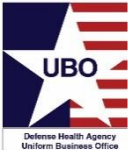
- Must perform quarterly audits using the DHA UBO Compliance Audit Checklist template to verify:
 - implementation of internal controls identified in PM and on the DHA UBO Compliance Audit Checklist
 - requirements met for storage and deposit of funds
 - *MTFs have billed insurance providers for patient encounters where other health insurance information exists in DoD systems (i.e., DEERS, CHCS, future EHR).**
 - *MTFs have adequately followed up on collections from insurance providers.**
 - *MTFs have corrected deficiencies found during the compliance audits.**

* NEW, added to upcoming revision of UBO Manual pursuant to ASD(HA) Memorandum, "Revision of Compliance Audit Requirements in the Department of Defense 6010.15-M, "Military Treatment Facility Uniform Business Office Manual, " November 9, 2006" (Feb 27, 2008)

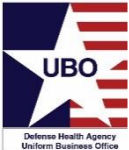


Recordkeeping Requirements (MSA, TPC & MAC, currently under revision)

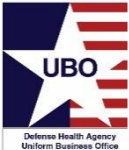
- Current requirement - 6 years and 3 months for all MSA documents (e.g., compliance, audit and financial-related)
- Updates routing for approval
 - **5 years** – quarterly compliance audit checklist (*National Archives' General Records Schedule*)
 - **10 years** – all accounting forms and records (*DoD 7000.14-R, "DoD Financial Management Regulation (FMR)"*)
 - Electronic or hard copy, based on Military Department or DHA-specific guidance



- **Recognize (i.e., establish) and record (i.e., post) accounts receivable** for all health related services and goods provided requiring payment from others
- **Age accounts receivable** per DoD Comptroller and FMR
- **Credit** all monies collected **from non-Federal entities** (i.e., public) including refunds **to the FY appropriation in which collected**
 - Credit monies from interagency payers to the FY in which the service was provided
- Collect OHI (i.e., DD Form 2569 or compliance card) **but may not credit card information**
- Collect subsistence **and FMR** rate, as applicable, upon discharge
- Invoice & Receipt (I&R) is invoice and subsequent receipt for patients; **due process begins on the date printed on the I&R**
 - Manual I&R processes deleted
 - Includes due process notice



- Elective cosmetic surgery -- **clarification added** (no changes to program requirements):
 - charges must be calculated using the DHA UBO Cosmetic Surgery Estimator (CSE) for the current year
 - only the procedures listed on the DHA UBO Cosmetic Surgery Superbill associated with the CSE for the current year may be billed as elective cosmetic surgery
 - all patients, including active duty, are responsible for the cost of implant(s), cosmetic pharmaceuticals, and elective cosmetic surgery procedures at the rate applicable at the time of payment.
 - CSE estimate must be paid in advance prior to scheduling surgery
 - records must be reconciled following surgery & patient charged for additional services or provided refund, as necessary



- **Clarification of due process requirements for non-uniformed service beneficiaries who are eligible for health care** (e.g., federal employees overseas) (see DHA memorandum 4/16/16)
 - 90 day payment window for civilians overseas deleted
 - Bill patient for care
 - May send claim to OHI payer as a courtesy; to do so must:
 - send a follow-up letter after 30 calendar days from the date the I&R was generated
 - advise the patient of his/her personal liability for any amounts not paid by the OHI payer within 60 calendar days of the due date on the payer's I&R
 - transfer the account to the patient if no payment received
 - obtain a signed statement from the patient acknowledging his/her indebtedness to the MTF (i.e., a DD Form 2569)



- Delinquent accounts receivable are receivables **not paid within thirty (30) days of the date the I&R was generated**
 - **Do not close out** accounts if any collection action is being taken; **classify as “currently not collectible” (CNC)**
- Procedures for Transferring Delinquent Accounts
 - **must transfer accounts receivable** from third party payers **totaling \$25 (if payer has a Taxpayer Identification Number)/\$100 (if the payer does not have a Taxpayer Identification Number) or more and individual accounts receivable totaling \$25 or more that are over 120 days delinquent** to the DFAS or the Department of Treasury for further collection action
 - follow Assistant Secretary of Defense for Health Affairs Memorandum *“Defense Health Agency Write-Off of Aged Amounts Owed to MTFs Clarification of Procedures,”* for the handling of delinquent third party payer accounts less than \$25/100 and individual delinquent accounts less than \$25



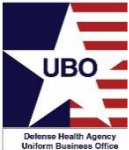
- To achieve 100 percent contact rate, each MTF must establish a process to verify whether or not a patient has OHI (including pre-admitted inpatient and APV patients).
- If the patient enters through the emergency department, OHI information may not be obtained until after the patient is stable.
- Third party payers may not require an MTF to enter into a participation agreement or other contractual vehicle as a condition of payment
 - *Deleted prohibition that MTFs may not enter into participation or preferred provider agreements*
- Third party payers may not require beneficiaries to sign an assignment of benefits form with the MTF as a condition of payment to the MTF. The DD Form 2569, signed by the patient (hard copy or electronic version), serves as evidence of assignment of benefits as well as the patient's insurance declaration form, and a signed copy will be furnished to the third party payer upon request.
- MTFs must have denial management protocols and processes to review and adjudicate all OHI denials.



- Only DHA UBO not authorized MTF representative may make decision to approve or disapprove third party payer request to change billing rate based on evidence demonstrating that the charges billed are too high for the geographic area for the same or similar groups of services
 - Submit request via Service or NCR MD Program Manager
 - DHA UBO's decision will be limited to applicable calendar or fiscal year
- Denial management protocols and processes are required to review and adjudicate all OHI denials
 - Billing records must include final account disposition, including documentation of the denial management/follow up process on outstanding claims, timeframe to conduct follow up on outstanding claims, and date transferred to US Treasury



- Must prepare and send inpatient claims immediately upon completion of the medical record and coding
- Must prepare and send outpatient claims within 15 business days after the outpatient encounter information and coding is obtained
- Must follow up with written or telephone inquiry if claim unpaid after 30 (not 60 & 90) calendar days from date I&R was generated
- Must refer accounts receivable to local Judge Advocate General or the US Treasury for action if over 120 days delinquent (not 180)
- Must submit TPC Metrics Report to DHA UBO quarterly (not annually)



MAC Billing and Collection *(Encl. 3, ¶ 5, currently under revision)*

- MAC accounts receivable must be posted (i.e., recorded) in accordance with the DoD FMR
- Must pursue TPC and MAC claims simultaneously
 - If total payment received exceeds the amount billed, the MTF must refund the overage to the insurer
- Deleted coordination process with TRICARE regional claims processor and Recovery Judge Advocate



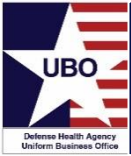
CHARGES FOR MEDICAL SERVICES

(Encl. 3, ¶ ¶ 6 & 7, *currently under revision*)

- Rates, guidance & charge examples removed; refer to DHA UBO Website
- May only submit claims for services that have an approved rate (unless the charge is a pass-through from another organization)
 - Notify UBO Manager (who will communicate to DHA UBO) of any services provided for which there is not an established rate.
- Clarification of subsistence (food) and family member inpatient per diem rate (FMR) charges
 - Active Duty members and their families enrolled in Prime, retirees and patients with OHI are not charged any co-pays or deductibles (e.g., no subsistence nor FMR)
 - Refer to the PATCAT table (or future EHR solution) for patient categories that are billed
 - FMR rate published annually with DHA UBO Inpatient rates
 - Subsistence rate published by Office of the Undersecretary of Defense (Comptroller). Charge is number and type of meals provided to the patient multiplied by applicable OUSD(C) rate

- Provides functional guidance on data collection and UBO practices and billing procedures for MTFs
- Living document that is updated by the DHA UBO Program Office in coordination with the Services and NCR MD as necessary
- Currently under review to update for current system, processes and best practices
 - New section to include Denials Management
 - Submit recommended updates to UBO.Helpdesk@altarum.org with “Suggestions for User Guide Updates” in the subject line

- Revised compliance programs will allow MTFs to:
 - Reduce costs by managing and mitigating risk proactively (versus reacting to issues)
 - Maximize reimbursement from its cost recovery programs
 - Achieve audit readiness and compliance
 - Monitor, measure, and improve business operations and billing personnel performance and workflow
- UBO Manual Revisions
 - Addition of new policies and procedures established since last revision (2006)
 - New layout and format
 - Elimination of step-by-step instructions
 - References updated
 - New definitions added
 - New phrasing for existing policies and procedures



BACK UP SLIDES

- The evolution from Compliance Officer 1.0 to the next generation 2.0 is centered on the following four fundamental areas.



- How do you think about change?



Compliance Officer 1.0

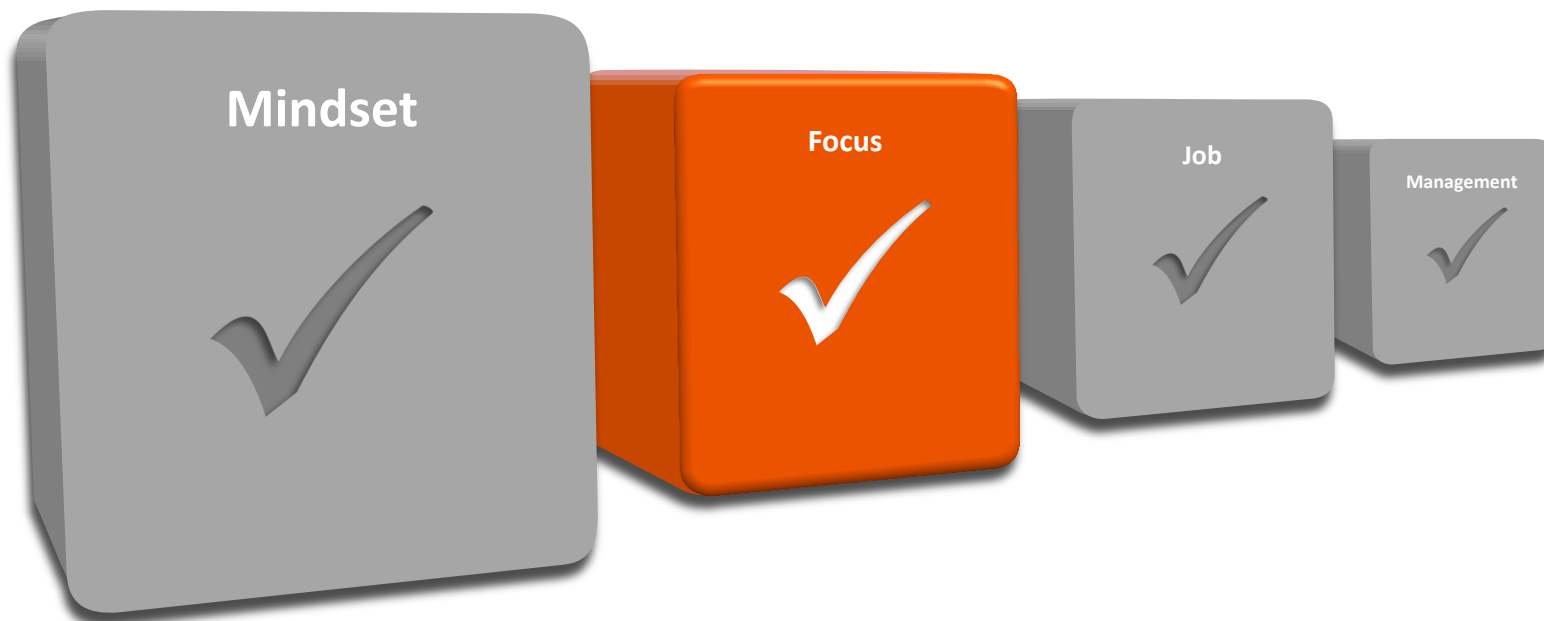
Has resisted change to avoid potential risk



Compliance Officer 2.0

Embraces change as the opportunity to improve the business

- What is your monthly/quarterly focus?



Compliance Officer 1.0

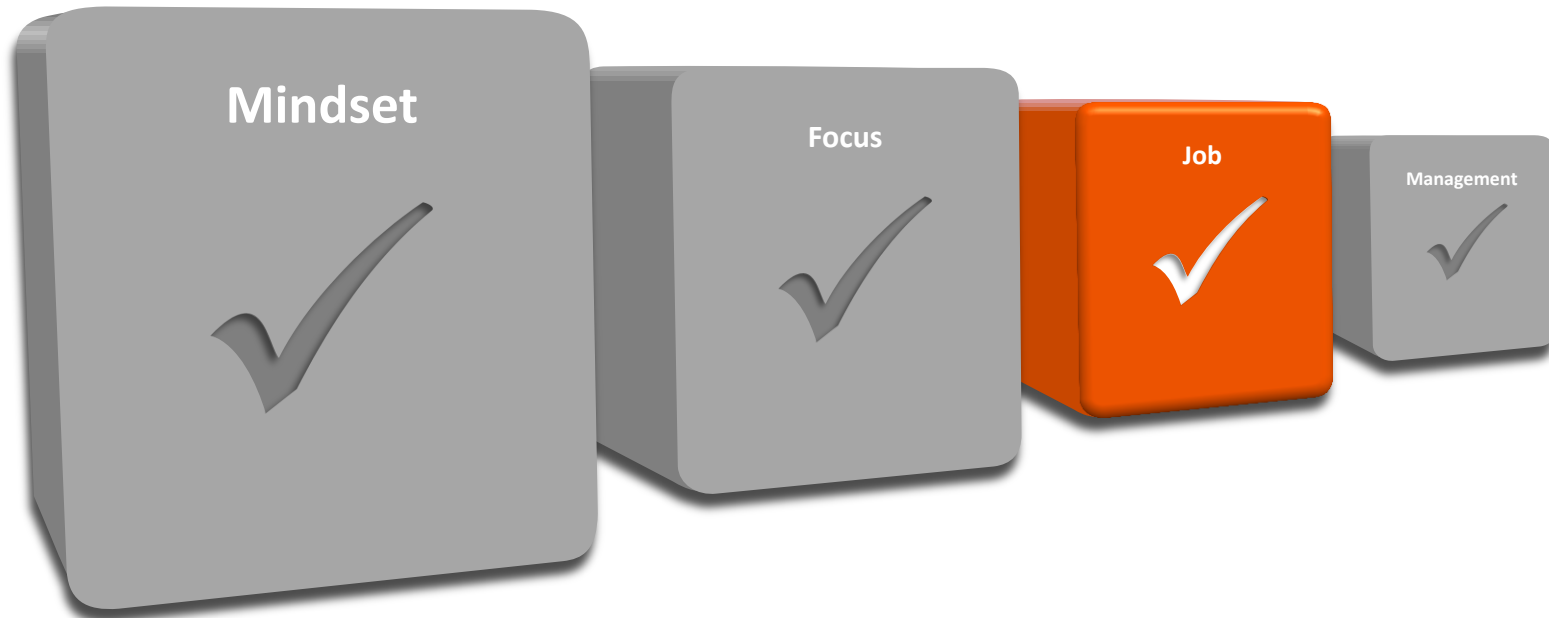
What policies/procedures
need updating?



Compliance Officer 2.0

Project scoping for process
update for regulatory
changes

- What is the primary objective of your role?



Compliance Officer 1.0

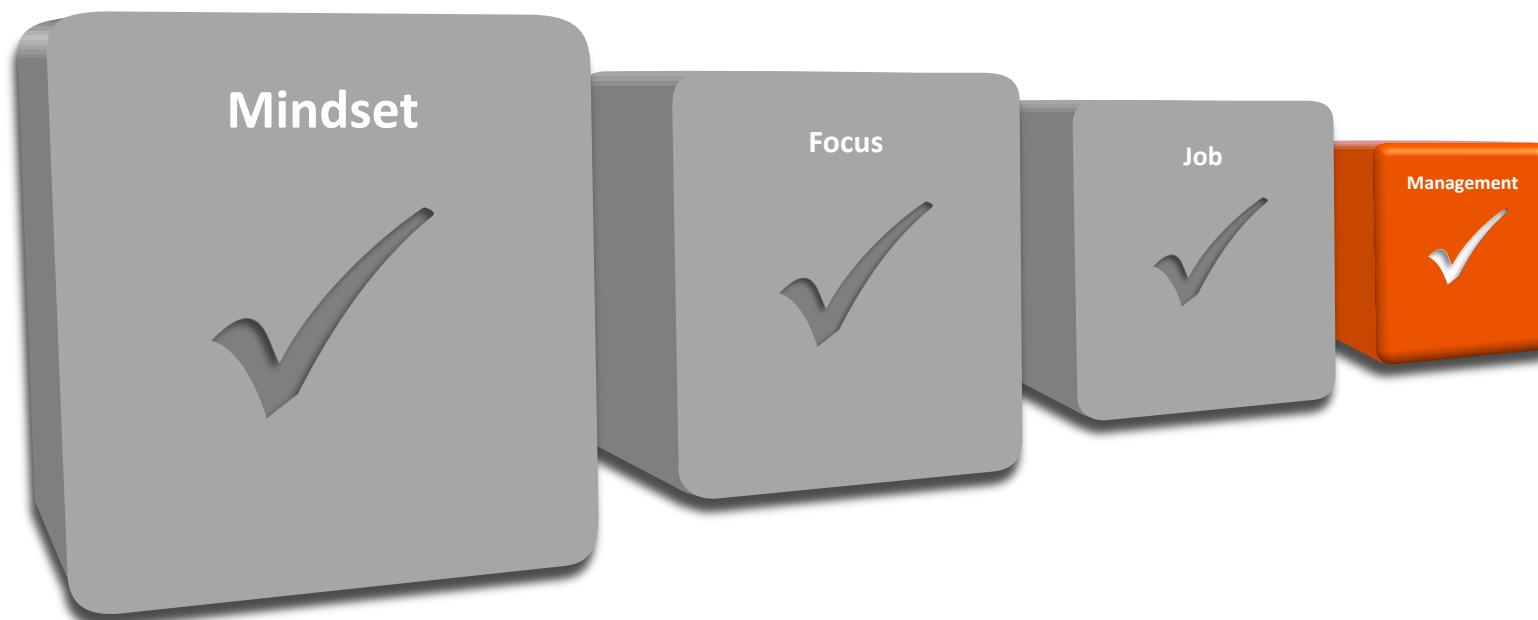
Understand, communicate requirements, monitor compliance



Compliance Officer 2.0

Oversee the compliance management system and assess potential risk vulnerabilities

- How do you add primary value for your organization?



Compliance Officer 1.0

Understand and
communicate
requirements



Compliance Officer 2.0

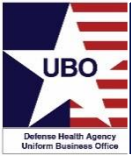
Inform decision on action
and investment of
resources

➤ **References**

1. 10 U.S.C. 1095
2. 10 U.S.C. 1079b
3. 32 C.F.R. Part 220
4. DoD 6010.15-M, UBO Manual, November 2006
5. OIG Compliance Guidance for Hospitals, February 1998
6. OIG Supplemental Compliance Program Guidance for Hospitals, January 2005
7. UBO User Guide, Current Edition
8. DoDI 6040.42, Management Standards for Medical Coding of DoD Health Records, June 2016

➤ **Additional MTF polices and Procedures**

- 1000.24 - Confiscation of Fraudulent Identification (ID) Cards at Military Treatment Facilities
- DoDI 5010.40 - "Managers' Internal Control Program Procedures (5/30/13)
- DoDD 5505.12 - Anti-Fraud Program at Military Treatment Facilities
- DoDD 6040.42 – Medical Records Retention and Coding at Military Treatment Facilities Care Programs
- DoDI 6015.23 – Delivery of Healthcare at Military Treatment Facilities (MTFs)
- DoDD 5400.11 – DoD Privacy Program
- DoD 5400.11-R – DoD Privacy Program (Manual)
- DoDD 6025.18 – Privacy of Individually Identifiable Health Information in DoD Health Care Programs
- DoD 6025-18-R - Privacy of Individually Identifiable Health Information in DoD Health Care Programs (Manual)



Thank You

Questions?



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