

ORGANIZATION POLICY

POLICY TITLE: AUDIT PROGRAM

POLICY NUMBER: 1205

POLICY: As part of the Corporate Compliance Plan and under the preview of the Compliance Committee, ongoing audit activities shall take place in an effort to identify opportunities to improve compliance with applicable federal and state guidelines governing healthcare delivery and organizational operations.

I. SCOPE

Tasks or functions selected for audit may be those identified by the Compliance Committee or at a department level. Areas identified for audit may be randomly selected or based on criterion such as high volume, problem prone, trended through patient complaints or information analysis, internal query or through risk assessment for compliance with federal and state guidelines.

II. RESPONSIBILITY

- A) Compliance Committee
To ensure that all departments actively participate in the auditing and monitoring functions of the compliance program.

- B) Department Managers
Will be proactive in researching and ensuring departmental compliance with applicable federal and state guidelines. Department Managers will alert the Compliance Committee of potential risk areas and auditing recommendations. Department managers will cooperate with the auditing function, which may include reporting to and serving on the Compliance Committee as requested.

- C) Employees
Shall actively support and participate in the auditing function and will provide information as requested.

- D) Physicians and Medical Service Contractors
Shall actively support and participate in the auditing function and will provide information as requested.

III. AUDIT PROCEDURES

- A) The billing, claims processing, and reimbursement procedures and practices will be audited internally on an as needed basis under the direction of the Compliance Officer and the VP of Patient Financial Services and subject to the direction of legal counsel. These internal audits shall consist of a review of internal billing, claims processing and reimbursement matters to confirm that all billing and regulatory compliance policies are being followed. The Compliance Officer and VP of Patient Financial Services will determine any additional areas for audit focus.
- B) Periodically and thereafter as needed, but at least on an annual basis, the Compliance Committee will work with external auditors to design and conduct appropriate audit of billing, claims processing, and reimbursement policies and procedures. The Compliance Officer or designee(s) shall assist in conducting these audits, and the audits shall be performed subject to the direction of legal counsel. These audits may focus on, but are not limited to, claims processing and submission, government documentation, or any other issues deemed appropriate by the Compliance Committee, and external auditors and legal counsel. The Compliance Officer has the authority to initiate additional audits if the need arises. Any such additional audits shall be performed subject to the direction of legal counsel.
- C) For random sampling, a sample size shall be determined by the Compliance Committee and the Department. The sample size shall consist of thirty (30) records or five percent (5%) of the total populations, whichever is greater. The Information Technology Services Department will then prepare a random patient list for review within a fourteen (14) day period after the request has been made.
- D) At the conclusion of any audit, the Department shall present its results to the Compliance Officer and the Compliance Committee Auditing/Monitoring Subcommittee. After review and approval by the Subcommittee, the Compliance Officer shall present to the Compliance Committee a review of the audit findings

at the next regularly scheduled Committee meeting. Any and all information related directly or indirectly to the audit shall be kept confidential by all parties involved. A breach of confidentiality or other unauthorized disclosure may subject the disclosing party to disciplinary action in accordance with the OMH policy.

- E) The Compliance Officer or legal counsel may request retrospective or additional audits of any potential risk exposed during random audits or by report and investigation from employees or through other mechanisms.
- F) The Compliance Officer or legal counsel may request focused monitoring of any process where potential risk is suspected. Monitoring may utilize various review techniques including sampling, interview of patients or employees, mock survey and/or written questionnaires.
- G) Audit findings that indicate OMH may have been paid for claims incorrectly shall be evaluated fully, and amounts ultimately determined to be due and owing to payors shall be repaid in accordance with the OMH corrective action policy.
- H) Amounts determined in the ordinary course of OMH operations to have been incorrectly paid to also shall be returned to payors on a regular basis in accordance with the OMH repayment policy.

EFFECTIVE DATE: September 1, 2000

DEPARTMENTS PRIMARILY AFFECTED: ALL DEPARTMENTS AND MEDICAL STAFF

REVIEW DATE: November 2004, October 2008

REVISION DATES: _____

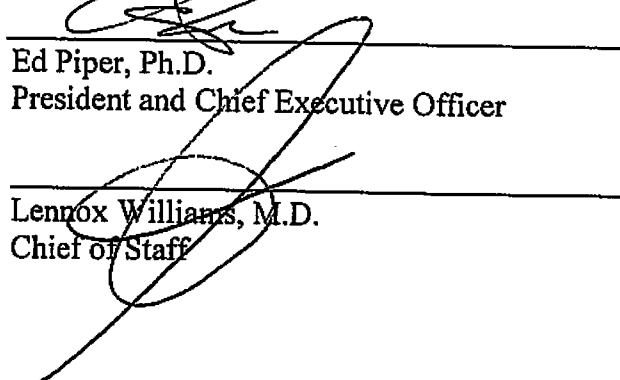
Policy 1205

Page 4

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