Compliance at the Point of Sale

Presented by

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Disclaimer: Nothing in this presentation should be construed as legal advice nor relied upon as legal expertise.
Agenda

1  Examples of Noncompliance

2  Controls and Prevention

Examples of Noncompliance
$400,000 Cafeteria Cashier

- University Hospital (Salt Lake City, UT)
- Recorded taking money from his cash register by a security camera
- Employee had been given service award in 2007
- Was charged with seven counts of falsely making a financial transaction in 1994, but the charges were dismissed

$300,000 Cafeteria Worker

- Orange Coast Medical Center
- From cash registers at the hospital’s cafeteria over a five-year period,
- Altered receipts and records to conceal the theft
- Cafeteria’s revenue during worker’s last month totaled $9,280. The month after she was fired, cafeteria had $28,565 in revenue
- Sentenced to three years in state prison
$1,400 Gift Shop Worker

- Southeast Alabama Medical Center
- Between an 8 day period
- Charged with felony third-degree theft of property

Pharmacy Cashier

- Walker County, Ga. Pharmacy
- Video showed cashier taking bills out of the cash register and slipping in into her back pockets
- Pharmacy paid some employees and part-time pharmacists thousands in cash
- Found not guilty in theft case
$42,000 Medical Group Cashier

- Robert Wood Johnson University Medical Group, New Jersey
- Stealing patient payments (envelopes of cash)
- Falsified the log sheets after stealing the money
- Thefts were uncovered during an internal audit
- Pleaded guilty to theft, sentence of about a year in jail, will be permanently barred from public employment in the state and must repay the money

The Million Dollar Woman

U.S. Attorneys » Northern District of Alabama » News

Department of Justice
U.S. Attorney's Office
Northern District of Alabama

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Former UAB Hospital Food Services Employee Charged with Stealing $1 million in Cash Kept for Cashier Change

BIRMINGHAM – Federal prosecutors today charged a former employee in the Hospital Food and Nutrition Services Department at the University of Alabama at Birmingham with stealing more than $1 million over about six years from a cash room she oversaw, announced U.S. Attorney Joyce White Vance and FBI Special Agent in Charge Roger C. Stanton.

The U.S. Attorney’s Office charged KYEJUANA AVERY, 34, of Birmingham, with one count of theft concerning programs receiving federal funds. Prosecutors filed the charge, along with a plea agreement with Avery, in U.S. District Court. According to that agreement, Avery will plead guilty to the charge and
Payment Collection Controls and Fraud Prevention

Learning Objectives

- Setting up internal controls to ensure:
  1. The accuracy and reliability of captured financial information to include:
     - Patient payments (satellite clinics/hospital)
     - Retail sales (nutritional services);
  2. The implementation of physically and system controls to safeguard assets:
     - Setting up payment collection point for clinical front desk operations and retail cashier locations (i.e. cafeteria and gift shop).
3. The adoption of meaningful training for registration clerks and cashiers:
   • Mandatory training programs to educate employees;
   • Development of policies and procedures, payment manuals or guides; Standardization of disciplinary actions for overage and shortages of funds,
   • What departments should be involved in the training of personnel responsible for payment collections?
   • Development of tool kits.

3. Practical suggestions to detect and prevent fraud:
   • In a payment/cash collection environment (i.e. front desk operations (admissions);
   • Retail operations (cafeteria and gift shop); cashier's office; detection tools for counterfeit money.
Capturing Financial Information

• Revenue Cycle:
  • At the Front-End – Clinical - (i.e. Admissions, Registration, Mobile Units, Pharmacy).
  • Patient Services Cashiers - Usually the least paid, however, the accuracy of patient data and collection of co-payments starts with them.

Capturing Financial Information

Revenue Cycle:
• Point of Sale – Retail - (i.e. Cafeteria, Gift Shop).
• Retail Services Cashiers – lower paid positions, however, the accuracy of merchandise sales and collection of payments (purchases) starts with them.
Mandatory Training (PSC & RSC)

- Obtaining payment collection certificate is a pre-requisite to collecting payments.
- Class covers managing, securing, posting, reconciling, balancing, and depositing collections.
- Authenticity of cash (https://www.uscurrency.gov/).
- Identifying fraudulent checks and meal vouchers.
- Processing and Recording Refunds (Co-pays - No Service Slips).
- Out of balance procedures and consequences.
What’s Wrong With This Picture?

1. Check numbers don’t match
2. Check made out to “cash”
3. Addresses do not match
4. Driver’s license expired
5. Dollar amounts don’t match
6. Post dated
Authenticity of a Meal Voucher

• Ensure voucher has not expired.
• Advise customer no money will be given.
• Advise customer of responsibility for amount not covered.
• No money will be given.

Refund of Co-pays (No Service)

The cashier can return a check, refund cash or refund their credit card if the patient did not receive services. Obtain a completed NO SERVICE SLIP from the patient’s health care provider.
Reconciling/Balancing Collections

What You Collected

What You Recorded

(Equals)

Manuals & Toolkits - Webpage

Patient Services and Retail Services Cashiers

Patient Services Cashier Handbook contains the requirements for the PSC designation, and competencies. Each Patient Services Cashier will be responsible for knowing the information to maintain their designation.

- Registration 2015
- Lock Box Memo
- PPSC Audit Checklist
- Cash Collection Guidelines

Retail Services Cashier Handbook contains requirements for the RSC designation, and competencies. Each Retail Services Cashier will be responsible for knowing the information to maintain their designation.

- RSC Audit Checklist
- Cashier Guidelines

Educational Material

- New Money
- Authenticity of Cash
Manuals & Toolkits (cont.)

- **Cash Collection Guidelines**: is a grid that contains progressive consequences based on over/short dollar ($) amounts and number of occurrences.
- **Random Cash Audit Checklist**: a tool used to validate collection procedures.
- **Logs**: tracks verification of change on hand, in the safe, and armored car pick-ups/deposits.
- **Guidance** listed on department page via intranet.

Collection Set-up - Walkthroughs

- **Cashiers and Front Desk personnel** are trained, but what about the clinic or cafeteria?
- **Develop a questionnaire** to assess what is needed to secure collections and prevent theft/fraud (i.e. cameras/surveillance; safe installation; lock boxes; locked draws; separation of duties; how much cash on hand and who is the custodian of the cash.
- **If possible, be involved during construction and include security and accounting in the process.**
Company-wide Training Program

Incorporate collections set-up and training orientations or with clinical front desk training. Have instructors from IT, Admissions, Billing, train on the payment systems and explain how the cashiers initiate the revenue cycle and ensure accuracy.

Fraud Prevention & Detection

- Set up controls that enable you to safeguard your funds and prevent, deter, and detect errors and fraud.
- To accomplish the objectives above, you must ensure receipts and disbursements are appropriately received and accounted.
Fraud Prevention & Detection

- Key controls over cash handling are proper **separation of duties** and **verification** of collections (random audits; checking for accuracy).
- Separation of duties
  - ensures an appropriate division of responsibilities that serves as a cross-check for cash handling duties.
  - enhances the chance of detection because more than one person is involved in the process.

Verification of Collections

- Verification or reconciliation involves ensuring what was recorded was actually received.
- Implement consistent consequences for procedural errors and over/short variances.
- Review video surveillance of collection areas randomly, and make sure staff knows the cameras are recording.
Questions?

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