Using CAAT in Compliance Auditing

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Founded in 1997 through the collaboration of Ascension Health and Catholic Health Initiatives, the two largest not-for-profit Catholic healthcare systems in the US

Employs more than 300 audit professionals who work in 36 states

Implemented audit functions in 29 healthcare networks

Current ongoing operations in close to 600 hospitals and other healthcare facilities
Facility based auditors (Client Based Associates, IT and Coding Compliance Auditors) on-site and interact with management – creates a more fluid audit process where emerging risk can be assessed and addressed timely.

CHAN Support:
- CAAT Team
- Coding and Compliance Audit Team
- IT Audit Team
- Knowledge Warehouse
- Subject Matter Experts
Computer Aided Audit Techniques/Tools

- Wikipedia defines CAAT as: “The practice of using computers to automate or simplify the audit process.”

- CAATs can refer to any use of a computer during the audit. This would include utilizing basic software packages such as ACL, SAS, Excel, Access, Crystal Reports, Cognos, Business Objects and also word processors.
Traditionally, auditors used samples to reach conclusions regarding the effectiveness of controls against the whole population.

With CAATs, auditors can analyze large volumes of data/entire population looking for anomalies.

CAATs allow for specific risk based testing.

CAATs can identify unexpected or unexplained patterns in data that may indicate fraud.
• Data analysis software for audit, compliance and risk professionals.
  o Developed for auditors.
  o Provides data mining abilities for specific risk based testing.
  o Provides a log of actions taken on the data to help ensure accurate testing and assumptions during the audit process.
  o Does not change the data.
CHAN audits with CAATS

- Revenue Charge Capture
- Bad Debt Historical Reviews
- RAC Audits
- Excluded Provider Reviews
- Accounts Payable/Payroll
- Charge Description Master Reviews
- Continuous Control Monitoring Technology
- Featured Services
Revenue Charge Capture

- Surgery
  - Surgery Time Charged?
  - Anesthesia Time Charged?
  - Recovery Room Charged?

- Emergency Room
  - ER Level visits charged?

- Inhalant Treatments
  - Patients with inhalant treatments were also charged with an inhalant drug?
  - Patients with an inhalant drug were also charged with an inhalant treatment?
An analysis of historical transactions is used to provide the accuracy of an entity’s past allowance calculations.

In addition, it also provides:

- Current estimations of its allowance for doubtful accounts.
- Trending for changes in the environment.
• Using some of the same criteria used by RAC Audit Contractors.

• CAAT provides the Coding and Compliance Auditors with populations of patients to review for overpayments and underpayments.
  o RAC Focused DRGs
  o Surgical Short Stays
  o Hospital Acquired Conditions
Other CAAT Audits

• Excluded Provider Reviews
  o Compares Vendors, Employees and Physician utilized to the OIG and GSA listing of excluded providers.

• Charge Description Master Review
  o Reviews hard coded CPT/HCPCS Codes to ensure they are current active codes defined by CMS.

• Interface Reviews
  o Compares transactions sent from one system to those accepted by another system for completeness and accuracy.
Continuous Control Monitoring Technology (CCMT)

- Moving beyond a static, cyclical audit approach and adopt a continuous, comprehensive approach to audit and risk assessment.
  - Used by internal auditors to support continuous auditing.
  - Used by management to support continuous monitoring.
  - Optimizes the use of technology.
• Web-based Continuous Auditing/Monitoring Tools
  o AR Hindsight Review
  o Coding Compliance (RAC, MIC, etc.)

• Charge Capture Analysis Services
  o Emergency Department
  o Interventional Radiology
  o Surgery – Implants
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