



INTER-OFFICE MEMORANDUM

TO: Zachary Williams, County Manager
FROM: Anthony Nicks, Director of Internal Audit
DATE: March 23, 2010
SUBJECT: GMH Compliance Report

Background

Grady Memorial Hospital (GMH) is authorized under the direction of the Fulton-DeKalb Hospital Authority and by the amended Memorandum of Understanding (MOU) dated November 4, 2009, to provide medical services to those citizens classified as indigent and charity patients as stipulated in Section 2, Item #1, Certification of Need, of the MOU. GMH is obligated to deliver medical services in compliance with the standards of care established by the Joint Commission's Hospital Accreditation Standards and the Center for Medicare and Medicaid Services Guidelines.

We have reviewed the Fulton County Indigent Care Analysis Report received from Grady Memorial Hospital for patients receiving health care services, during the fourth quarter of 2009. The report disclosed the following statistics for indigent and charity patients served:

Patient Type	Number Served	Charges	Cost	Payment Received	Uncompensated Cost
Indigent	45,962	\$51,603,282	\$24,982,628	\$3,996,665	20,985,962
Charity	12,701	\$13,132,433	\$6,148,718	\$1,383,628	\$4,765,090

We also reviewed a sample of 288 patients' files from a population of 58,663 Grady Memorial Hospital patients' accounts for the fourth quarter of 2009. The files were selected using a statistical model which is designed to provide a representative sample of the total population. The sample selection model provides a 95% confidence level of our audit results. The purpose of our review was to provide assurance that the uncompensated health care cost for the fourth quarter was the direct result of services delivered to Fulton County citizens eligible to receive indigent and charitable health care services. Our review focused on the eligibility of the patient as defined in the MOU. Per the MOU, a patient is considered eligible if they meet both the income and residency requirements. The requirements are:

Income

The income requirements states that patients fall into two categories. (1.) Those patients whose individual or family income is less than 250% of the Federal Poverty Limit Guideline are eligible to receive services on a sliding scale basis. (2.) Those patients whose income falls at or below 125% of the Federal Poverty Limit Guideline are eligible to receive 100% discount.

Residency

The residency requirements state that a patient must be a verified resident of Fulton County for at least 30 days at the time of provision of services. In determining residency, the hospital has implemented several policies and procedures that the staff should implement prior to providing services. These policies are detailed under Grady Health System Operational Policy, Verification of Residency- Grady Health System- Financial Assistance Program/ Financial Eligibility Scale. The policies and procedures regarding verification of residency are on file in the Internal Audit office.

As a result of our review, we found several exceptions which relate to compliance with GMH eligibility and documentation policies and procedures. The exceptions are listed as income and residency, eligibility, and documentation exceptions. Documentation exceptions include insufficient documentation to support identity, earnings, and charges. The results are summarized below.

Exception Summarized by Month	Oct.	Nov	Dec	Total
Identification documentation exceptions	20	11	19	50
Income eligibility exceptions	4	3	4	11
Residency eligibility exceptions	9	4	8	21
Residency documentation exceptions	1	-	1	2
Residency and Income exceptions	6	2	5	13
Incomplete AR billing documentation not provided	2	-	-	2
Patients records containing charge exceptions	5	-	2	7
Total	47	20	39	106

Patient records containing identification documentation exceptions:

- There were 44 patients' financial files which contained no picture identification in the files.
- There were 5 patients with no valid Georgia driver's licenses.
- There was 1 patient with an expired Georgia driver's license.

These exceptions are not in compliance with the GHS Operational Policy and Patient Identification Revised 9/17/08. The identification documentation exceptions require that Hospital personnel conduct additional screening procedures and, as such, are not included in the reconciliation calculation.

Patient records containing income eligibility exceptions:

- There were 3 patients' earnings which exceeded the income eligibility threshold.

This exception is not in compliance with the GHS – Financial Eligibility Scale- Effective April 1, 2009, GHS Operational Policy – Financial Counseling revised 08/03/09, and GHS Financial Assistance Program Requirements.

- There were 4 patient files with insufficient documentation available to verify income eligibility.

This exception is not in compliance with the GHS Operational Policy – Financial Counseling Revised 08/03/09 and GHS Financial Assistance Program Requirements Revised 08/09.

- In 2007, earnings were erroneously used to determine the income eligibility of 1 patient and no proof of unemployment or DOL inquiry was in the file.

This exception is not in compliance with the GHS Operational Policy – Financial Counseling Revised 08/03/09 and GHS Financial Assistance Program Requirements Revised 08/09.

- There were 3 patients who did not comply with the Georgia Human Services review process to qualify for SSI and other benefits, as a result, the benefits were terminated. Therefore, it was impossible to determine if these patients qualified for K and M.

This exception is not in compliance with the GHS Operational Policy – Financial Counseling Revised 08/03/09 and GHS Financial Assistance Program Requirements Revised 08/09.

Patient records containing residency eligibility exceptions:

- There were 18 patient financial files that contained insufficient information to verify residency eligibility.

This exception is not in compliance with the GHS Operational Policy – Verification of Residency Revised -8/2/09.

- There were 3 patients with addresses located in other counties.

This exception is not in compliance with the GHS Operational Policy – Verification of Residency Revised -8/2/09 and MOU May 2009.

Patient records containing residency documentation exceptions:

- There were 2 patients with partial but not complete address documentation required by GMH's policy.

This exception is not in compliance with GHS Operational Policy – Verification of Residency Revised -8/2/09 and MOU May 2009.

Patient records containing both income and residency exceptions:

- There were 13 patients' records with either insufficient or no documentation to verify income and residency.

This exception is not in compliance with GHS Operational Policy – Verification of Residency Revised -8/2/09 and MOU May 2009.

Patient records containing charge findings and AR billing discrepancies:

- There were 2 patient charges for which selected AR billing documentation was not provided. AR billing documentation provides the service codes which identify the medical procedures performed.
- There were 7 selected charges which did not agree with the encounter (medical) form charges and were not reconcilable to the charges listed as part of the Cost Description Master (CDM) file.

These exceptions are the result of our attempts to verify the patient charges. This procedure is an audit test and is not tied to a specific policy or law.

We also noted that from our sample of 288 patients selected for testing, a total of 11 patients were eligible for Medicare and 13 were eligible for Medicaid coverage. These patients are misclassified and should not be included in K or M.

These exceptions are not in compliance with the GHS Operational Policy – Financial Counseling Revised 08/03/09 and GHS Financial Assistance Program Requirements Revised 08/09.

The scope of our review is limited to the review of patients classified as indigent (K) and charitable (M). This report is intended solely for the use of the Fulton County, Georgia Board of Commissioners and the management of Fulton County.