hfma
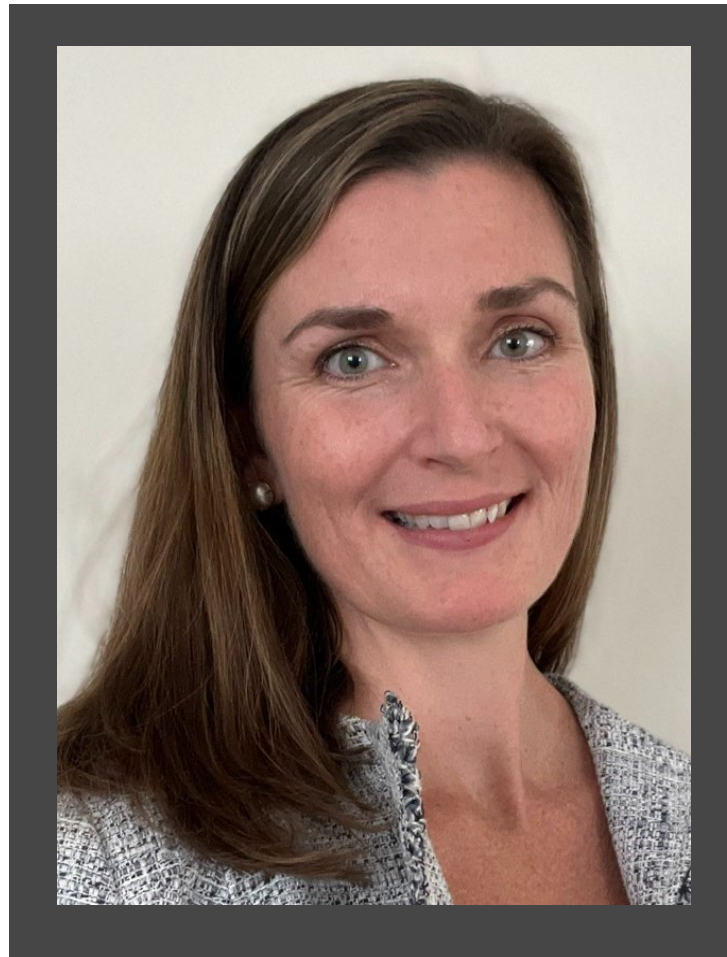
ma-ri chapter

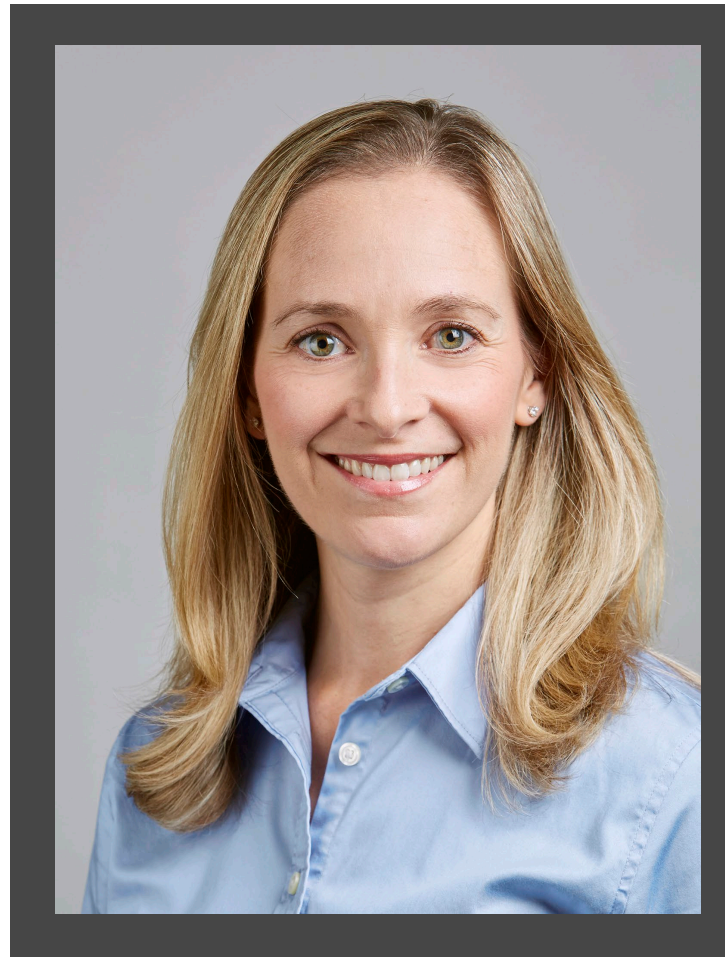NEW ENGLAND HEALTHCARE INTERNAL AUDITORS INC.

Wednesday, November 29 - Friday, December 1, 2023
Mystic Marriott Hotel, Groton, CT

Introductions

Kaitlin McCarthy
Associate Deputy
Compliance Officer

Beth Israel Lahey Health

Audra Hulme
Director, Health Industries
Risk & Regulatory

PwC

Now a little about you…

Raise your hand if the following is true...

- I am involved in executing internal audits at my organization

- I support compliance activities for my organization

- My organization is for-profit

- My organization is not-for-profit

- I am from a large multi-hospital system

- I am from a community hospital

- My organization uses data analytics to identify high risk areas

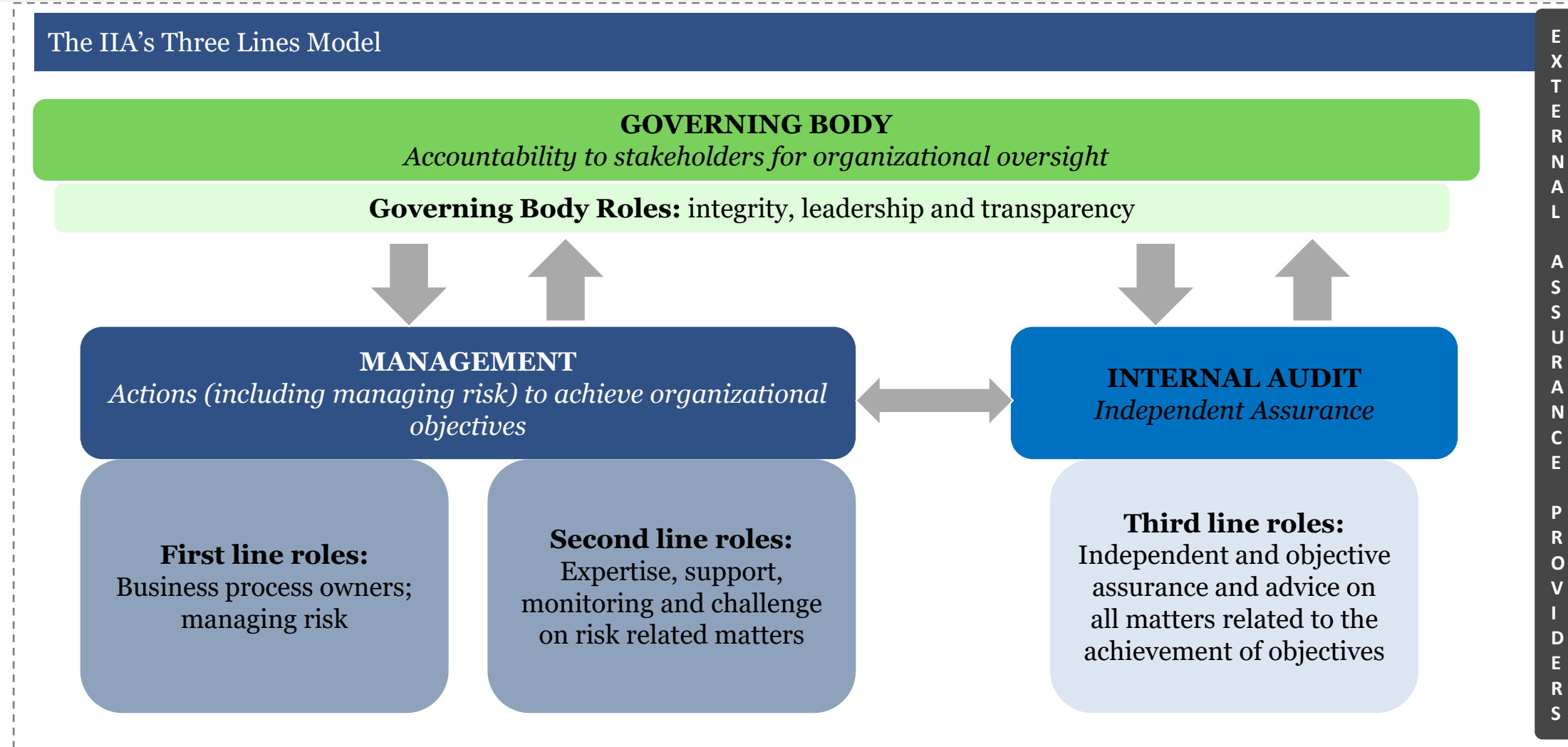- My organization has an ERM program

Topics

| 1 | Risk Management Overview |

| 2 | Top Industry Risks |

| 3 | Case Studies |

Risk Management Overview

IIA's Three Little Lines of Defense

The Three Lines of Defense is a model used as the primary means to demonstrate and structure roles, responsibilities and accountability for risk management activities.


Well-coordinated lines work together to increase agility, break down silos, and remove blind spots to 'see through walls'. Understanding the below is critical:

- Where activities intersect/overlap
- How communication flows between them
- What this means for the organization's resilience as a whole

Alignment Across the Second and Third Lines

Aligning second and third lines using a risk-based approach allows for:

- agile resource deployment,
- adaptable assurance over risk priorities,
- assurance through various lenses
- deliberate stakeholder messages and insight
- greater risk coverage
- Culture of continuous improvement by driving risk management enhancements
- More comprehensive risk universe and risk identification
- Clear alignment of risk management strategies and increased coordination
- Increased efficiency and streamlined risk management
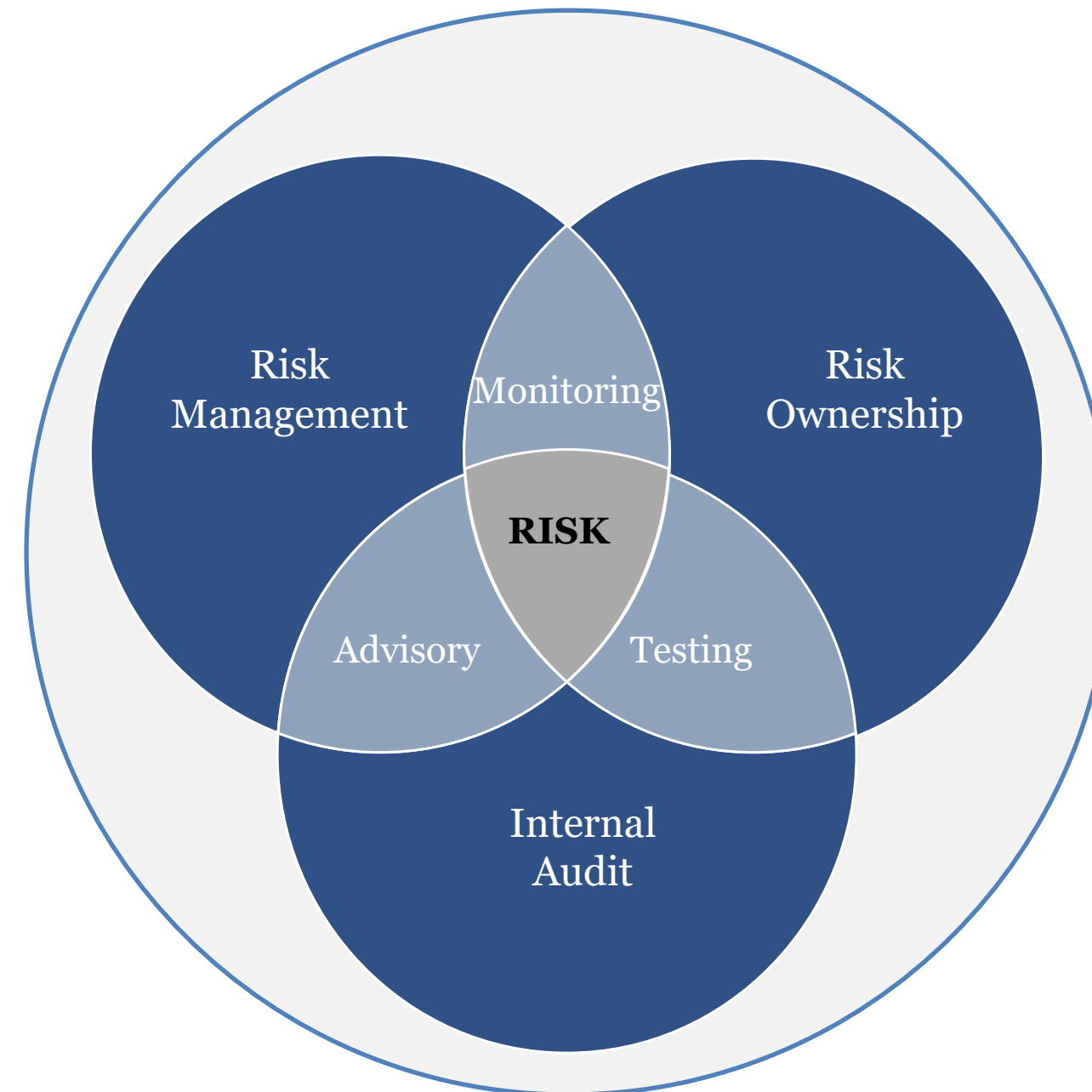
Examples of Working Together

Process
- Coordination with performing organization's annual risk assessment
- Follow-up coordination of previously issued management action plans
- Jointly preparing assurance map and aligning audit plans
- Ensuring the links between mission statements, charters, and strategies are clear

Tools & Technology
- Authoring risk papers together to update stakeholders
- Sharing risk taxonomies, control libraries, other materials
- Co-developing or sharing automation and scripts
- Talent sharing (e.g., secondments, guest auditors)

Communication
- Aligning on Audit Committee messaging
- Regular check-ins on status, roadblocks and deliverables

Facilitating Collaboration to Identify Top Industry Risks

A new risk multiverse

Today's megatrends are driving rapid global change in areas like technology, geopolitics, climate, supply chains, regulation, and workstyle reform

These changes are not occurring in isolation, but rather they are interconnected, interwoven, and 'stacking up' to create complex risks

In other words, organizations are facing a new reality—a 'risk multiverse'

40%

Nearly 40% of global CEOs do not think their organizations will be economically viable in ten years' time

PwC's 26th Annual CEO Survey

Clinical Program, Access to Care & Experience

Workforce Alignment

Revenue Cycle

Pharmacy

Third Party & Supply Chain

Financial Operations

Cybersecurity & Privacy

Regulatory Compliance

Research

IT & Digital Transformation

Top Industry Risks
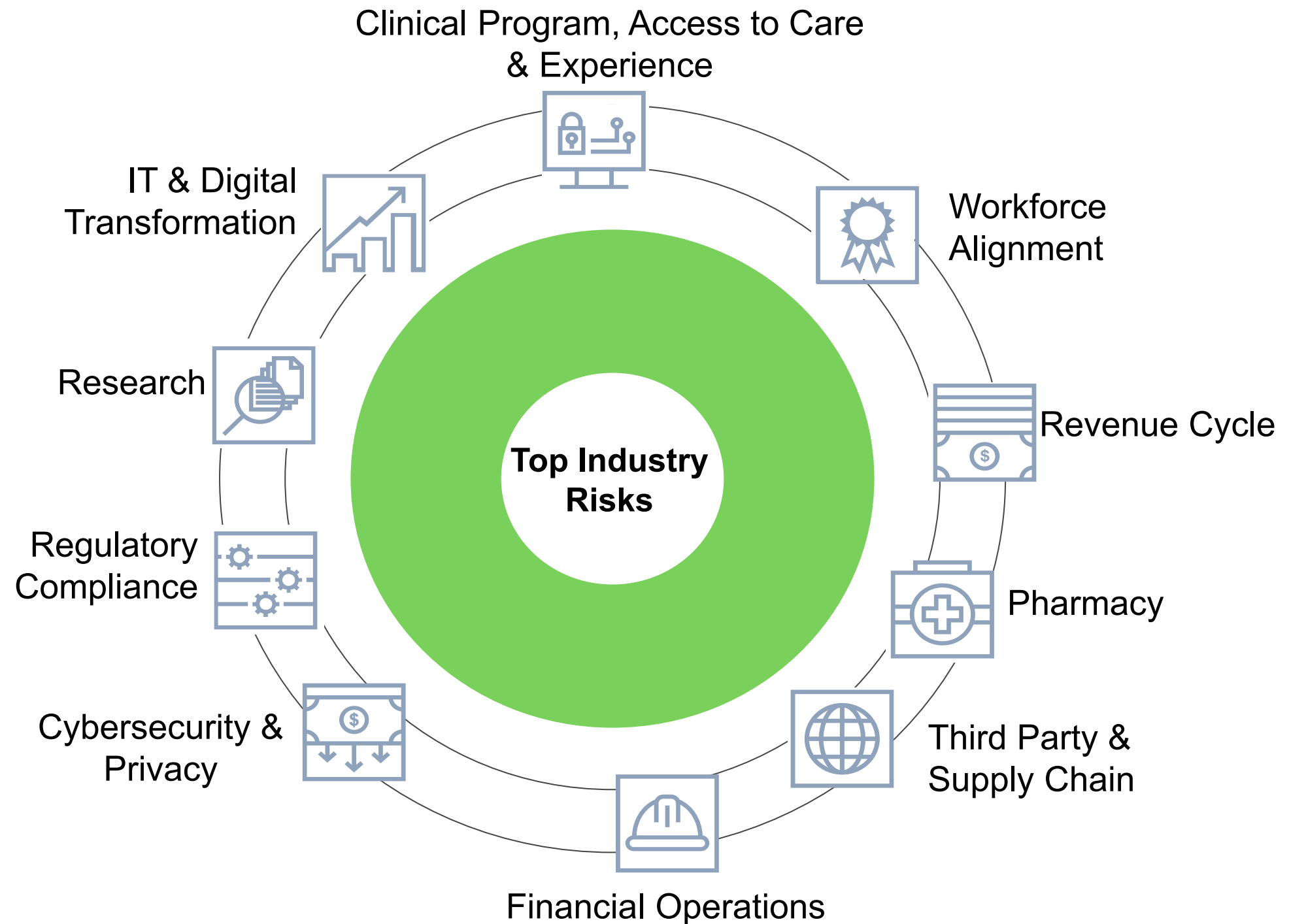
Revenue Cycle

The following are corresponding sub risks that organizations should be aware of:

- Scheduling
- Registration
- Financial Clearance

- Clinical Documentation
- Charge Capture & Coding Compliance

- Billing Compliance
- AR Management
- Denials

Compliance	Internal Audit
• Billing compliance audits, high risk issues • Follow up audits and corrective actions • Data analysis and monitoring • Oversight and monitoring	• Front End process assessments • Ambulatory Referral Management • Scheduling Templates and Process • Payer Masterfile Maintenance • Financial Counseling and 501r • Medical Necessity Checking & ABNs • Cash Collections • Charge Capture, Reconciliation & CDM Maintenance (late, missing, integration) • Clinical Documentation • Coding Team Oversight and Structure • Payment Posting & Under/Over Pymnts • Credit Balance Management • Denials and Write-off Management • RAT STATs

Third Party Management & Supply Chain

The following are corresponding sub risks that organizations should be aware of:

- Due Diligence
- Contracts & Negotiations

- Monitoring
- Reporting & Metrics

- Termination/Renewal
- Vendor Security

Compliance	Internal Audit
- Advise on policy and procedure development - Compliance review and training on exclusion screening for vendors - Monitor oversight and governance of third-party management - Managing conflict of interests	- Contract Management and Compliance - Procure to Pay Cycle - Onboarding & Offboarding - Vendor Masterfile Maintenance - Ordering & Receiving - Inventory Management - Third Party / SLA Monitoring - Contract Vendor Pricing - Third Party Vendor Risk Management - Vendor Information Security

Cybersecurity & Privacy

The following are corresponding sub risks that organizations should be aware of:

- HIPAA Privacy
- HIPAA Security
- Data /Record Retention

- Data Use Agreements
- Identity Access Management
- Information Security

- Business Continuity & DR
- Network Segmentation
- Ransomware

Compliance	Internal Audit
• Policy and procedure development and refinement based on issues and corrective actions • Partner with Information Security for analysis and response to risk assessments (internal or external) • Monitoring of access and anomalies • Education and training	• Privacy Assessment • Medical Record Amendment & Release • Cybersecurity Maturity • Attack and Penetration Testing • Consumer Data Protection • Network Segmentation • Medical Devices • IT General Controls – logical access, computer operations, change management • Business Continuity • Disaster Recovery

IT & Digital Transformation

The following are corresponding sub risks that organizations should be aware of:

- EHR implementation
- ERP implementation
- IT Project Management

- Cloud
- Enterprise Data Warehouse
- Analytics

- AI – Responsible & Generative
- RPA

Compliance	Internal Audit
• Advise on key compliance issues – documentation, privacy controls, research and revenue cycle • Review policies and procedures • Review and recommend training opportunities and communications re: emerging technologies	• IT Project Prioritization • IT PMO Effectiveness • Epic / EHR Revenue Cycle Controls • Epic / EHR Clinical Controls • Epic / EHR Security Access • Remote Access • Data Governance • Generative AI Governance, Risk & Controls

hfma
ma-ri chapter

Pharmacy

The following are corresponding sub risks that organizations should be aware of:

- 340B Compliance
- DEA Compliance
- Drug Diversion

- Pharmacy Licensure
- Opioid Prescribing
- Research Pharmacy

- Pharmacy Inventory Management & Wasting

Compliance
340b monitoring and issue resolution   - Training and education   - Data monitoring and oversight of key indicators

Internal Audit
- Pharmacy Inventory Management   - Drug Diversion   340B Testing and Monitoring   - Opioid Prescribing

Workforce

The following are corresponding sub risks that organizations should be aware of:

- Recruitment
- Onboarding
- Compensation & Benefits

- Talent management
- Performance management

- Disciplinary Actions
- Offboarding & Termination

Compliance	Internal Audit
• Code of Conduct & related communications • Education on hotline and reporting mechanisms • Review of policy and procedures and training needs • Onboarding / New Employee Orientation • Continuous OIG Screening	• Onboarding and Offboarding/Separation • Diversity, Equity and Inclusion (DEI) • Performance management • HR Actions • Pay Equity • Pay Transparency

Final Thoughts