



**AUDIT DEPARTMENT**  
**UMC Notice of Privacy Practices**

**for the period June 1, 2007 through June 30, 2007**

**JEREMIAH P. CARROLL II, CPA**  
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# Audit Department

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July 16, 2008

Ms. Virginia Valentine  
Clark County Manager  
500 South Grand Central Parkway, 6th Floor  
Las Vegas, Nevada 89106

Dear Ms. Valentine:

As provided by our annual audit plan, we conducted an audit of UMC's provision of its Notice of Privacy Practices and obtaining the patient's acknowledgement as required by HIPAA and hospital policies. The scope considered patient registrations for the period June 1, 2007 through June 30, 2007. The objectives of our audit are to ensure that patients are receiving UMC's Notice of Privacy Practices and acknowledging receipt as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

We determined that UMC is in general compliance with providing the Notice of Privacy Practices. We found weaknesses in employees understanding the hospital's policies and procedures, and inconsistencies in training and performance oversight.

Our report detailing our findings is enclosed. UMC's response to our findings and a detailed action plan is included. The assistance and cooperation of the patient registration staff are sincerely appreciated.

Sincerely,

/s/ Jeremiah P. Carroll

Jeremiah P. Carroll II, CPA  
Audit Director

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**UNIVERSITY MEDICAL CENTER  
NOTICE OF PRIVACY PRACTICES  
for the period June 1, 2007, through June 30, 2007**

**BACKGROUND**

In accordance with our annual audit plan, we conducted a review of University Medical Center of Southern Nevada's (UMC) provision of its Notice of Privacy Practices and receipt of the patient's acknowledgment as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and hospital policies.

Clark County is designated as a "hybrid entity" pursuant to Section 164.504(a) of the HIPAA privacy regulations (Privacy Rule). The following specific County departments are included as part of the health care component of the County's hybrid entity: UMC; the Department of Social Service (to the extent that it operates the County Medical Assistance Service program); and the Department of Juvenile Justice Services.

UMC is an acute care hospital providing healthcare services. Consequently, the hospital has been designated as a covered-entity with respect to HIPAA, as a "healthcare provider". As a covered entity, UMC must comply with HIPAA. For example, the hospital must ensure that it provides patients with a copy of its Notice of Privacy Practices upon the first provision of services.

UMC's mission is to become the hospital of choice in the community, ensure customer satisfaction, and move to self-sufficiency. UMC has adopted several administrative policies, procedures and tools designed to ensure it complies with the HIPAA regulations.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

The objective of the audit is to determine whether UMC complies with the HIPAA Privacy Rule by issuing the Notice of Privacy Practices and obtaining the patient's acknowledgement of receipt.

To accomplish our objective, we conducted interviews with key personnel to develop an understanding of applicable procedures performed in the provision and acknowledgement process. We reviewed applicable laws, rules and regulations and hospital policies. We also reviewed controls over the registration process in order to determine the adequacy and consistency of management's controls currently in effect. Finally, we examined a sample of judgmentally selected medical records to ensure the receipt of the Notice of Privacy Practices was acknowledged.

Our audit was conducted in accordance with generally accepted governmental auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our

audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our procedures considered patient registrations for the period June 1, 2007, through June 30, 2007. The last day of fieldwork was August 21, 2007.

## **RESULTS IN BRIEF**

UMC is in general compliance with the HIPAA Privacy Rule requirement to provide its Joint Notice of Privacy Practices to patients at the time of first delivery of services. Direct observation of registration events demonstrated an 89 percent compliance rate.

UMC's procedures intended to demonstrate compliance with obtaining the patients' acknowledgement of receipt. However, the processes in place to obtain acknowledgment do not appear to be effectively or consistently applied.

## **DETAIL OF FINDINGS**

### **Internal Controls**

#### *Procedures Fail to Adequately Demonstrate Acknowledgement of Receipt*

The current procedures implemented to document provision and acknowledgment of receipt of UMC's Joint Notice of Privacy Practices (JNPP) are inconsistently performed and do not reliably demonstrate that the JNPP has been provided or acknowledged.

Patients receiving UMC's JNPP are asked to acknowledge receipt by signing the Conditions for Admission (COA) and the Financial Agreement (FA) forms. Employees performing the registration process are then expected to update the HIPAA Compliance Questionnaire screen within Med Series 4 (MS4) or Vital Works to communicate that the patient has received the JNPP and signed the acknowledgement. Med Series 4 is software that is used to record and track patient accounts for the hospital. Vital Works is similar software used at Quick Care and Primary Care facilities.

In a review of discharged medical records, only 54 percent had evidence of the signed COA and corresponding entry in the HIPAA Compliance Questionnaire Screen. Evaluation of the remainder identified a sufficient variety of errors to conclude that UMC is unable to reliably demonstrate compliance.

Examples of the types of errors found include: discrepancies between the presence of a signed COA without a corresponding update in the HIPAA Compliance Questionnaire screen or a confirmatory account note entry, and an updated HIPAA Compliance Questionnaire screen with an unsigned COA form.

We recommend that the Financial Operations Manager, Patient Access Services work in concert with the Director of Quick Care & Primary Care (QC/PC) Clinics, and other departments as appropriate to revise the current procedures for providing the JNPP and documenting the patient's acknowledgement or documenting attempts to obtain one.

Additionally, we recommend that all registration staff receive additional training in the requirements for documenting the provision of the JNPP and obtaining acknowledgement.

#### *No Procedure to Obtain Acknowledgement on Emergency Admissions*

In those situations where a patient is unable to receive the JNPP and acknowledge receipt, such as emergencies, UMC is required to document the attempts that were made to obtain the acknowledgement after the emergency has passed or the patient's personal representative becomes available to acknowledge receipt. No evidence could be found that UMC has a process for ensuring follow-up is attempted on emergency admissions. Likewise, no evidence was found indicating the responsibility for obtaining acknowledgment is shared by any departments other than Patient Access Services and the employees of the Ambulatory Care Services department who perform the registration process in the clinics.

We recommend that the Financial Operations Manager, Patient Access Services develop and implement a procedure for following up with patients who were unable to provide acknowledgement at the time of registration.

Additionally, we endorse a suggestion by one of the employees involved in the observations: revise the COA form to include boxes for patients to initial either receipt or refusal of the JNPP and remove the acknowledgement statement from the Financial Agreement form to eliminate redundancy. Requiring patients to specifically initial the form will provide a more definite demonstration of their acknowledgement.

#### *Inadequate Performance Monitoring*

We found that both the Patient Access Services and Ambulatory Services departments conduct a quality control review process of registrations. However, we failed to find any evidence that the process includes criteria to measure documenting when the JNPP was provided and acknowledged, whether an account note entry refers to the JNPP, or if the HIPAA Compliance Questionnaire screen reflects an update. Direct observations are performed but do not evaluate that an employee is providing the JNPP or is able to answer patient questions. Documentation of the monitoring results and actions taken are not maintained by either of the registration managers. Failure to maintain and retain documentation impedes a manager's ability to hold employees accountable for their performance.

We recommend the Financial Operations Manager, Patient Access Services and the Director of QC/PC Clinics revise the current quality review process to include issuing and obtaining acknowledgement of the JNPP, employee competency in explaining the JNPP to patients, and documentation requirements for future quality reviews.

## Other Findings

### *Few Tools To Reinforce Training and Minimize Errors*

The registration process involves the collection of a lot of information about a patient; i.e., personal identification data, guarantor data, employer data, and insurance information. Some circumstances require additional data collection (such as completion of the “Medicare as a Secondary Payer” screen in accident situations). Employees must be able to absorb and retain a large amount of information. As previously mentioned, there are two different systems used by registration staff, Med Series 4 (MS4) and Cerner “Vital Works” (aka Ideal). We found that both systems offer minimal tools to assist employees in the process.

We found that new employees receive a combination of classroom and job-shadowing training. The Patient Access Services department provides extensive training materials when teaching the MS4 system, as well as handouts describing the various steps of the process (such as the HIPAA Compliance Questionnaire screen). We did not find comparable written training materials for Vital Works.

We recommend the Financial Operations Manager, Patient Access Services work in concert with the Director QC & PC Clinics to review the registration training materials. Specifically, we recommend that a checklist be developed for use by the registration staff and that those checklists are reviewed periodically to keep them current with policy, procedure and regulatory changes. Checklists, or a similar tool, will ensure consistent performance and provide a reference resource for employees.

### *Failure to Verify Directory Preferences*

We did not find evidence that registration procedures include a process of asking a patient’s preference regarding UMC’s directory. None of the observed registrations included any questions regarding the patient’s directory preferences, and only five were asked if they preferred an alternative communication method.

This issue should be addressed and is evident by the number of complaints received by the Privacy Office related to a privacy restriction flag applied in error, specifically the Not for Publication (NFP) flag. For the timeframe of May 2005 through August 21, 2007 the Privacy Office responded to a total of 295 complaints of which 143 were substantiated. Of those verified, 38 (or 27 percent) were complaints involving an NFP flag. Violating a patient’s expressed preference creates a negative customer experience for the patient and makes UMC vulnerable to formal complaints to the Office for Civil Rights.

We recommend that University Medical Center direct staff to emphasize the importance of obtaining a patient’s privacy preferences and share the responsibility for ensuring those preferences are accurately communicated through the HIPAA Compliance Questionnaire screen within MS4 and Vital Works.

**APPENDIX**





## Revenue Cycle Memo

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**To:** Jeremiah P. Carroll II, Director, Internal Audit  
**From:** Lisa Smith, Financial Operations Manager, Patient Access Services  
**Subject:** Response to audit finding re: Notice of Privacy Practices  
**Date:** May 28, 2008  
**CC:** Cindy Charyulu, Revenue Cycle Director  
Linda Jacob, QC & PC Director  
Suzanne Desainnts, OP & AMB Clinic Manager  
Hope Hammond, Privacy Officer

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In response to the annual audit of the Notice of Privacy Practices (NOPP) and receipt of the patient's acknowledgement, attached is an action plan, which addresses the findings. Patient Access Services, QC & PC Centers, and the OP & AMB Clinics are working in concert to complete the action plan.

To provide highlights of the action plan, the first step was to combine the Conditions of Admissions (COA) and the Financial Agreement forms to eliminate redundancy. In addition, a NOPP section was added to the COA, which requires the patient/representative to acknowledge receipt or decline of the NOPP. This was completed in March 2008 with additional revisions made in May. The revised COA will be rolled out during the Standard Register Patient LinkUp Enterprise (PLUE) System implementation, which is scheduled the week of July 7<sup>th</sup>.

Additional steps that are being taken to address the audit findings are revisions to policies and procedures, staff education and training of the HIPAA Compliance Questionnaire screen which includes privacy preferences, development and implementation of performance monitoring reports, and revision to the quality review process.

Should you require additional information regarding the action plan, you can reach me at (702) 383-3925.

Enclosure

## UMC Notice of Privacy Practices Audit Response

**Committee Members:**

Patient Access Services Managers, Ambulatory Care Clinic Managers, Ambulatory Care Office Supervisors

Item	Action	Due Date
JNOPP Acknowledgement of Receipt	Add JNOPP Receipt Acknowledgement to Conditions of Admission and Consent for Outpatient Treatment forms.	Completed 3/31/2008
Policy Update	Update policy: Conditions of Admission ADI-9004	6/6/2008
	Update policy: Follow-Up Signatures Policy ADI-4018	6/6/2008
	Update policy: Unable to Sign ADI-2018	6/6/2008
	Update policy: Directs & Transfers ADI-7016	6/6/2008
	Develop HIPAA Compliance Screen policy to include JNOPP, Hospital Directory, Mailing List, Alternative Communication, Appointment Reminders, Research	6/6/2008
Performance Monitoring	Identify HIPAA Compliance Screen required data elements: <ul style="list-style-type: none"> <li>- JNOPP results</li> <li>- Directory results</li> <li>- Research results</li> </ul>	5/27/2008
	Create HIPAA Compliance Screen audit reports.	7/31/2008
	Develop QA standards based on HIPAA Compliance Screen results	8/15/2008
	Develop registration checklist for each registration type.	7/31/2008
Education and Training	Provide staff education and training: <ul style="list-style-type: none"> <li>▪ Review COA &amp; COS forms completion</li> <li>▪ HIPAA Compliance Screen completion</li> <li>▪ Review policies and procedures</li> <li>▪ Test employee's competency to issue and obtain acknowledgement, JNOPP explanation to patient, and documentation of said data collected</li> </ul>	6/23/2008 – 7/3/2008
Form Revision Implementation	Implement revised forms: CONS0810 (English) CONS0810SP (Spanish) CONS0809 (English) CONS0809SP (Spanish)	7/7/2008 – 7/12/2008
	Coordinate with Materials Mgmt to retire existing COA and FA.	6/30/2008