



Charlie Crist  
Governor

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State Surgeon General

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### INTEROFFICE MEMORANDUM

**DATE:** December 17, 2010

**TO:** James D. Boyd, C.P.A., M.B.A., Inspector General

**THROUGH:** Michael J. Bennett, C.I.A., Director of Auditing

**FROM:** Mark H. Boehmer, C.P.A., Senior Management Analyst II

**SUBJECT:** O-1011DOH-028- Review of *Client Billing and Adjustments at Duval County Health Department*

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Per your request, we reviewed the *Permanently Deleted Billing Records* file report (report) of Duval County Health Department (CHD) from Department of Health's (DOH) *Health Management System* (HMS). We performed this review to determine whether there were sufficient controls over the process of permanently deleting billing records in HMS. The report included billing records of 2,483 clients during the months of December 2009 through January 2010. We reviewed the deleted billing records of a judgmental sample of 99 clients to determine the appropriateness of the deletions and whether there was adequate documentation to support those deletions. We selected the months of December 2009 through January 2010 because these records were within the timeframe that services could still be re-billed for possible collection, if necessary.

#### **Background**

Duval CHD has historically carried a large balance in accounts receivable from health client services. Efforts have been made by Duval CHD management to improve the billing process and maintain a more accurate balance of accounts receivable that represents accounts considered to be collectible.

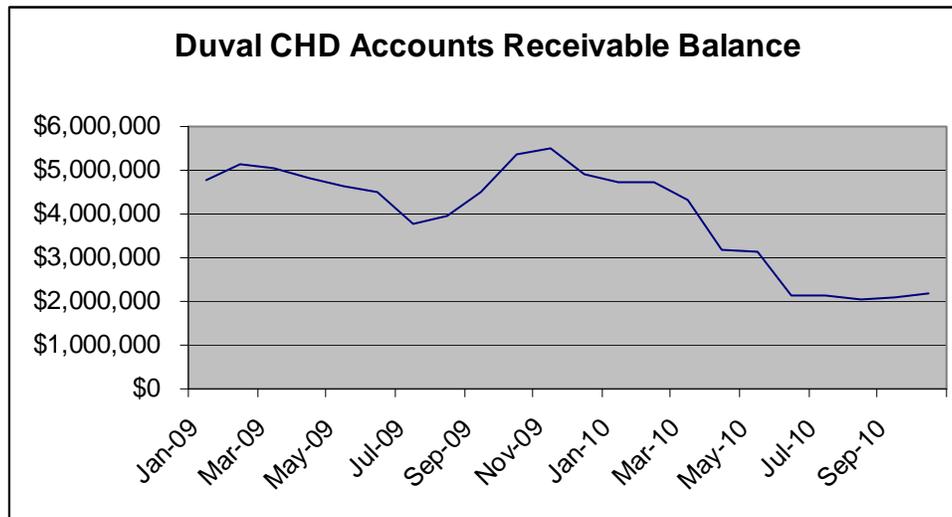
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The chart below represents the decrease in Duval CHD's accounts receivable from \$4,766,198 in January 2009 to \$2,197,485 as of October 31, 2010.



Because of a continual increase in accounts receivable prior to 2009, Duval CHD management requested a technical assistance site visit (TA review) that was performed in January 2009 by a team of DOH technical professionals knowledgeable of DOH billing for client services. The TA review team made 46 recommendations. Since that time, Duval CHD has experienced a number of changes in its staff and consequently changes in approach to improve its accounts receivable process. We interviewed Duval CHD staff who explained that processes have materially changed even since the period of records we reviewed.

We did not review the overall decrease in the client accounts receivable balance to determine whether such amounts were appropriately written-off. It was not part of the objective of this review.

### **What we found**

In our sample that covered the period December 2009 and January 2010, there was approximately 80 Duval CHD staff that appeared to have permanently deleted records. During our review, Duval CHD management responsible for billing explained that since August 2010 it has implemented quarterly audits by supervisory personnel of permanent deletions. Duval CHD management also explained there are now only 10 authorized persons that may permanently delete records.

At first glance the report would appear to those not knowledgeable about the data it contains, that records were only permanently deleted, with no subsequent action. We interviewed Duval CHD management responsible for billing who explained that as part of their billing review process they determined there were a large number of client billing records with incorrect billing data. They determined that these records had to be permanently deleted so that correct billing information could be rekeyed into HMS and appropriate billing and collection could be pursued.

We determined that of the deleted billing records of the 99 clients we reviewed, most were either subsequently billed again and collection was made in accordance with third-party payor terms, payment was denied and subsequently billed to the client, or otherwise appropriately handled. We identified amounts for only three clients that had been permanently deleted and not subsequently re-billed for the services until they were discovered as a result of our review.

We also identified nine accounts, where the client was a Refugee Health client and should have been billed under the *Refugee Domestic Health Assessment System*, instead of ever being keyed into HMS. We verified these accounts were appropriately re-billed in the *Refugee Domestic Health Assessment System*.

Because of our review, the Office of Health Statistics and Assessment (Health Statistics) identified that due to a problem in HMS's report logic, each record was duplicated multiple times in the *Permanently Deleted Billing Record* file. In our sample of deleted billing records of 99 clients, records were duplicated as many as seven times. The result was a report with an inflated total dollar amount of billing records that were permanently deleted. Health Statistics management explained the issue has been corrected. The total dollar value of the permanently deleted files for the months of December 2009 through January 2010 originally reported to us was \$1,630,463. Following the system correction, Health Statistics subsequently re-printed the report showing \$585,243 was the correct amount of client billing records permanently deleted for the two month period.

Duval CHD management responsible for billing explained data entry staff are trained and tested before assuming their duties, but was unable to satisfactorily explain why there were so many keying errors and other incorrect billing data input into HMS initially at the date of the client service. The result is a material amount of hours re-keying data to pursue collection.

### **Management Consideration**

We recommend Duval CHD management take steps to improve the accuracy of initial input into HMS of billing information, including Current Procedural Terminology (CPT) codes and correct billing party. Additionally, management should conduct research to identify the root causes of incorrect billing information and take necessary steps to improve areas that management identifies.

### **Closing Remarks**

We want to thank management and staff of Duval CHD and the Office of Health Statistics and Assessment for providing their cooperation and assistance to us during the course of this review.

MHB

cc: Shairi Turner, M.D., M.P.H., Deputy Secretary for Health  
Michael Sentman, Assistant Deputy Secretary for Health  
Robert "Sterling" Whisenhunt, Statewide Services Administrator  
Robert G. Harmon, M.D., Director, Duval CHD  
Timothy Lawther, Assistant CHD Director for Health Administration  
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