

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
	Revised: 10/2021	

MONITORING AND AUDITING

SCOPE:

Applies to all Envision Healthcare teammates. For purposes of this policy, all references to “teammate” or “teammates” include temporary, part-time and full-time employees, independent contractors, clinicians, officers and directors.

PURPOSE:

Envision Healthcare and its subsidiaries and affiliates (“Envision” or “the Company”) has adopted this Monitoring and Auditing policy to outline the monitoring and auditing procedures to be followed by the Company’s Ethics & Compliance Department.

POLICY AND PROCEDURE:

I. Coding and Billing Monitoring and Auditing

Monitoring and auditing enable the Ethics & Compliance Department to monitor the effectiveness of the Company’s coding and billing efforts and target additional training efforts.

- The Ethics & Compliance Department directs coding and billing reviews of government payor claims conducted by outside third-party consultants.
- Medical records of government beneficiary payors are randomly selected for a retrospective review on a routine basis (*See the statistical sampling method in Attachment A*). A prospective review may be conducted, where necessary, as determined by the Ethics & Compliance Department.
- Independent auditors review the sample according to current CMS coding documentation guidelines, CPT, and the current ICD coding book.
- Independent auditors review the sample and provide the Ethics & Compliance Department with the report of findings and compliance exceptions, if any.

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
		Revised: 10/2021

- The Ethics & Compliance Department reviews the findings, works with the auditor and coding team to resolve any disputes, and provides reports to the Company’s Compliance Committees.
- Corrective action shall be initiated for material exceptions greater than 5%.
- The Ethics & Compliance Department verifies the implementation of corrective action processes.
- After a reasonable amount of time, the Ethics & Compliance Department will validate the effectiveness of such corrective action.

Audit Frequency

The Ethics & Compliance Department will outline a proposed audit schedule, annually, for review and approval by the Compliance and Integrity Committees, Executive Compliance Committee, and Compliance Committee of the Board of Directors (“Compliance Committees”). Historical audit results, volume of claims billed, and items identified through the Ethics & Compliance Department’s annual risk assessment as outlined in the Risk Assessment Policy will be considered when preparing the annual audit schedule for review and approval. The approved audit schedule may be modified, if appropriate, in response to review findings.

Ad Hoc Review

In response to any identified risk areas, the Ethics & Compliance Department will conduct ad hoc reviews, when appropriate. The size and scope of the review will be based on the nature of the identified risk area. Upon identification of the risk area, the review will be conducted within a reasonable time frame. Findings will be reviewed by the Ethics & Compliance Department and relevant stakeholders for all material exceptions. Implementation of corrective action will be reviewed and verified.

II. Focus Arrangements Monitoring and Auditing

- The Ethics & Compliance Department will conduct Focus Arrangements reviews to ensure all new and existing or renewed Focus Arrangements are in the Focus Arrangements Tracking System (“Onit”), are complete and accurate, and do not violate the Anti-Kickback Statute.
- Focus Arrangements are randomly selected for review on a routine basis (*See the statistical sampling method in Attachment B*).

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
	Revised: 10/2021	

- The Ethics & Compliance Department will review the sample for adherence to all Focus Arrangements Procedures.
- The Ethics & Compliance Department reviews the findings and provides reports to the Company’s Compliance Committees.
- Corrective action shall be initiated for all noted exceptions.
- Noted exceptions are reviewed to verify implementation of corrective action processes.

Audit Frequency

The Ethics & Compliance Department will outline a proposed audit schedule, annually, for review and approval by the Compliance Committees. The approved audit schedule may be modified, if appropriate, in response to review findings.

POLICY REVIEW

The Ethics & Compliance Department will review and update this Policy, as necessary, in the normal course of its review of the Company’s Ethics & Compliance Program.

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
	Revised: 10/2021	

ATTACHMENT A

Coding and Billing Monitoring and Auditing

Statistical Sampling

The sampling approach recommended for ongoing compliance is intended to address typical areas of risk associated with billing compliance. The ongoing sampling will be conducted as outlined in the audit schedule reviewed and approved by the Compliance Committees and will be performed on a retrospective basis, that is, after the files are processed and the claims are billed. However, prospective review may be conducted, where necessary, as determined by the Ethics & Compliance Department.

The sample will be selected from a total "population" of government payor claims that are processed during the quarter being reviewed. The "population" is defined as all government payor claims that have been coded and processed for payment by the billing department. Based on the audit schedule, each quarter a new group of claims will be selected to assist in monitoring ongoing compliance, but all claims selected will be limited to government payor claims.

Each quarter, in order to determine which specific claims are to be selected, the following steps need to be performed:

- Determine the population (government claims only).
- Select the specific population segments that are going to be audited.
- Select a random sample from the population that has been selected.
- Review the claims that have been selected from the random sample.

The following procedures outline the sampling approach as part of the Company's ongoing Compliance Program. The ongoing sample approach is divided into three sections:

- Selecting the population segment to be sampled.
- Selecting the sample.
- Analyzing the sample.

Selecting the Population

The population segment from which the sample will be randomly determined will consist of the total number of claims coded and processed for payment during a pre-determined time frame. The segment will have the following characteristics:

- The population segment is selected in a random manner.

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
	Revised: 10/2021	

- The statistical characteristics associated with the samples that are taken from these population segments will have a confidence level of 90% with an initial guess of 10% and 3.5% margin of error. Should these statistical characteristics yield a sample consisting of less than 80 claims, a confidence level of 95% with an initial guess of 10% and a 3.5% margin of error will be used.
- The sample sizes will depend on the size of the population segment.
- The Ethics & Compliance Department reserves the right to initiate a probe review in lieu of a statistically valid audit in order to assess any associated compliance risk.
- Alternative statistical characteristics may be utilized on a per audit basis at the direction of the Chief Compliance Officer and/or Compliance Committees.

Selecting the Sample of Claims with the Selected Population

As stated above, the random samples selected are at the 90% confidence level. This is accomplished by:

- Assigning each claim or encounter a number from 1 through n.
- Determining the appropriate number of claims to review for each sample based on internal statistical sampling methodology.
- Selecting the specific claims by using a random number program (RAT-STATS) that will generate x+5 numbers between 1 and n where x is the sample size and n is the number of files in the population segment. The +5 allows for selection of an additional 5 records in case there are duplicates, errors, etc. with selected claims. For a population size less than 100, all of the records in the population segment may be selected.

Analysis of the Sample

An outside auditing company retained by the Company performs the analysis of the claims. A report of findings is submitted to the Ethics & Compliance Department who will analyze and review with the Compliance Committees. If an issue is discovered, appropriate action will be taken which may include an expanded sample review.

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
	Revised: 10/2021	

ATTACHMENT B

Focus Arrangements Monitoring and Auditing

Statistical Sampling

The sampling approach recommended for ongoing compliance is intended to address areas of risk associated with focus arrangements and the focus arrangements review process. The ongoing sampling will be conducted at least once annually.

The sample will be selected from a total population of revenue generating focus arrangements for the quarter.

For each applicable quarter in which a review is conducted, in order to determine which specific focus arrangements are to be selected, the following steps need to be performed:

- Determine the population.
- Select the specific population segments that are going to be audited.
- Select a random sample from the population that has been selected.
- Review the focus arrangements that have been selected from the random sample.

The following procedures outline the sampling approach as part of the Company's ongoing Compliance Program. The ongoing sample approach is divided into three sections:

- Selecting the population segment to be sampled.
- Selecting the sample.
- Analyzing the sample.

Selecting the Population

The population segment from which the sample will be randomly determined will consist of the total number of revenue-generating focus arrangements for the quarter. The segment will have the following characteristics:

- The statistical characteristics associated with the samples that are taken from these population segments will have a confidence level of 90% with an initial guess of 5% and 3.5% margin of error. The sample sizes will depend on the size of the population segment.
- Alternative statistical characteristics may be utilized on a per audit basis at the direction of the Chief Compliance Officer and/or Compliance Committees.

	Ethics & Compliance Department	
	Policy No.: 12	Created: 07/2015
		Reviewed: 04/2023
	Revised: 10/2021	

Selecting the Sample of Focus Arrangements with the Selected Population

As stated above, the random samples selected are at the 90% confidence level. This is accomplished by:

- Assigning each focus arrangement a number from 1 through n.
- Determining the appropriate number of focus arrangements to review for each sample based on internal statistical sampling methodology.
- Selecting the specific focus arrangements by using a random number program (RAT-STATS) that will generate x+5 numbers between 1 and n where x is the sample size and n is the number of files in the population segment. The +5 allows for selection of an additional 5 records in case there are duplicates, errors, etc. with selected focus arrangements.

Analysis of the Sample

The Ethics & Compliance Department will perform the analysis of the focus arrangements. A report of findings is submitted to the Compliance Committees for review. If an issue is discovered, appropriate action will be taken which may include an expanded sample review.