

The Hawthorn CONNECTION

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Internal Audits

Driving Continuous Improvement
by Stan Hosler

When you can measure what you are speaking about, and express it in numbers, you know something about it. –Lord Kelvin

Hawthorn's corporate compliance committee will meet in July to review internal audit results for second quarter 2017. This review will mark the 56th consecutive quarter of audit reviews and the 14th anniversary of a system that was established in 2003 to drive our goals for excellence and continuous improvement.

Hawthorn's internal audit system is a component of the overall corporate compliance plan that was established in 2001. The purpose of the internal audit system is stated in the auditing review section of the plan: *All employees are audited on a quarterly basis to ensure employees fully understand their job function and perform that function correctly.*

Kasondra Boehme has served as Hawthorn's internal auditor for the past ten years, and she explains that Hawthorn has set very high standards for accuracy when processing medical claims. "Meeting benchmarks for accuracy is a condition of employment at Hawthorn," Boehme said. "All employees are audited for accuracy every quarter.

We audit according to job function, which includes coding, charge entry, payment posting, accounts receivable and so on. We pull a random batch of work and grade the results for 55 items where accuracy is required for prompt payment of claims. We check for accuracy on ICD-10 codes, CPT codes, modifiers, physician name, patient demographic information, preauthorization numbers and dozens of other items."

Benchmarks vary slightly by job function, with 95% accuracy being the minimum standard for most employees and most functions. "Our goal is continuous improvement," Boehme said. "For our human resources department, the audit system is an element of our overall employee development program, and our training department uses audit results to create customized training plans for new employees and recently promoted employees. When employees fail to meet the standards on one audit they will receive coaching, and they are re-audited. If they fall short on the second audit they receive a written warning and another re-audit. Employees that don't achieve a passing score on the second re-audit are subject to termination."

Boehme, however, prefers to emphasize the benefits and rewards of the audit system. "Our audit procedure is rigorous because accuracy is so important to the medical practices we support," Boehme says. "Insurance companies will reject claims for even the smallest mistakes,

so 100% accuracy is always our goal. That's how we make sure our physician clients are paid what they deserve for every medical procedure."

Boehme explained that high-performing employees are recognized and rewarded. "Every quarter we have employees who achieve 100% accuracy, and employees can earn half days and full days paid time off when their results meet guidelines for excellence at 98%, 99% and 100%. We also pay a cash reward for employees who achieve four consecutive quarters of 100% accuracy."

Each month Ms. Boehme forwards her audit results to Ron Williams, who is Hawthorn's fulfillment data manager and a member of the compliance committee. For 25 years Mr. Williams served as the pathology departmental administrator at Washington University School of Medicine. Williams evaluates the internal audit system from the perspectives of our client physicians and medical practice managers. "Our clients want to know they're getting paid for everything," Williams says. "They're counting on us to use the right codes and file clean claims with insurance carriers. Their financial welfare is our number one concern, and this audit procedure is our quality assurance system. How many companies can say they check their employees' results four times a year?"

"We use the audits as part of a feedback loop," Williams added. "Our quarterly results are shared directly with department managers, human resources and the training department. They use those results to hire, train and retain the very best front line employees, and every quarter we can validate the success of that effort."

Shelly Bangert, Hawthorn's director of revenue cycle management, looks at the audit system as part of the big picture. "Our client promises are spelled out in detail on the Hawthorn website," Bangert said. "The Hawthorn Advantage is our value creation system for clients, and it includes planks for constant tracking and exceptional recovery, plus compliance and continuity. We're very serious about fulfilling those promises, and with our 14-year auditing record you can see how we're holding ourselves accountable. We're meeting high performance standards as part of our overall promise to address complexity with certainty."

Visit www.hawthorngrp.com to review the promises of The Hawthorn Advantage.

2017 Q2 Employee Service Awards

Sherry Hahn- 5 year Anniversary
Kim LaRocco- 5 year Anniversary
Cay Dalton- 20 year Anniversary

Q1 2017 100% on Audits

Cay D. Diana T. Kristen C.
Joyce B. Kathy H. Linda H.
Mary F. Brad M. Melanie D.



Addressing Complexity with Certainty

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