EXECUTIVE SUMMARY

DEPARTMENT OF HUMAN SERVICES
DIVISION OF MENTAL HEALTH AND ADDICTION SERVICES
ANCORA PSYCHIATRIC HOSPITAL

We found that financial transactions included in our testing were related to the hospital’s programs and were recorded properly in the accounting system. We also found the financial transactions were reasonable except for certain internal control weaknesses and inefficiencies related to revenue recoveries, payroll, and purchasing which merit management’s attention.

AUDIT HIGHLIGHTS

• We found 1,010 and 593 Medicare Part A covered days that were not billed in fiscal years 2011 and 2012, respectively, because updated eligibility information was not entered into the department’s billing system. If these covered days were recovered by the hospital, revenue would have increased by $1.1 million.

• A sample of 82 of 323 fiscal year 2011 and 2012 admissions with Medicare Part A coverage but no billing histories, disclosed the department did not collect 613 covered days with potential recoveries of $424,000.

• Billable physician charges not claimed, physicians not properly documenting their patient visits, and staff physicians not registered in the hospital’s Medicare billing group resulted in an estimated $685,000 in lost Medicare Part B recoveries for fiscal years 2011 and 2012.

• We estimate the department did not bill $1.6 million for admissions with Medicare Part B ancillary service coverage.

• We found overtime being worked beyond the allowable limits per the hospital’s overtime policy which was implemented to maintain a safe working environment for employees and to ensure quality care for patients. In addition, overtime costs could be reduced with proper scheduling and strengthened controls.

• We found instances of non-compliance with the circular letter relative to the procurement of good and services and specific inefficiencies in the areas of language interpretation services and patient clothing purchases.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.