



MONTANA LEGISLATIVE AUDIT DIVISION

INFORMATION SYSTEMS AUDIT

MICRS: Claims Processing

Department of Public Health and Human Services

SEPTEMBER 2009

09DP-06

REPORT SUMMARY

During a year, the state will collect on average \$20 million of reimbursements for patient treatment and care at the five state-operated institutions, so accuracy of the computer system used to assist in processing claims is critical.

Context

The Department of Public Health and Human Services (DPHHS) is responsible for managing patient care at the five state-operated institutions. All expenses for treatment and care are initially paid by the state. In order for the state to be reimbursed for the cost of services, DPHHS has established the Reimbursement Office (RO). The responsibility of RO is to identify and bill any means of payment a patient might have, including Medicare, Medicaid, private pay, or private insurance.

To assist in the reimbursement process, DPHHS developed the Management Information and Cost Recovery System (MICRS); a computer system designed to assist RO in tracking patients, generating claims based on services provided, and submitting bills to responsible payers. This system was implemented July 2003 and went through three development phases before becoming fully operational in June 2006.

This audit was performed in conjunction with Performance and Financial Compliance audit work. The overall purpose was to determine RO's effectiveness in maximizing resources by reviewing aspects of the reimbursement process. The results of work conducted by Performance and Financial Compliance auditors can be found in a separate report (08P-12). The intent of this Information Systems audit was to address the role of MICRS in the

reimbursement process. Specifically, we established objectives to verify the completeness and accuracy of MICRS data and processing. In addition, audit work was performed to determine if reimbursements are processed in an accurate and timely manner.

Results

Based on audit work, we conclude controls are in place to ensure MICRS is completely and accurately creating and processing claims. However, we identified business processes within the Reimbursement Office that can be improved; specifically, reviewing access lists for appropriateness, documenting manual processes, removing inefficient processes, and correcting inaccurate reports.

| Recommendation Concurrence | |
|---|---|
| Concur | 5 |
| Partially Concur | 0 |
| Do Not Concur | 0 |
| Source: Agency audit response included in final report. | |

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