



Medical Services Billing Audit Procedure

1. Guiding Principles

Under Arrangement A of the WA Medical Practitioners Award, “a practitioner ...shall, on each occasion the opportunity to exercise private practice rights arises, authorise the Employer to render accounts in their name, assess the fee to be charged and advise the Employer in the form prescribed by the Employer so an account can be rendered”.

Under the Medical Services Agreement (MSA) Day Rate template, Contracted Medical Practitioners (CMPs) on a day-rate, assign their private billing income to the hospital under a similar arrangement to Arrangement A above.

In line with the above, to improve governance and controls around billing on behalf of medical practitioners, and to ensure billable opportunities are appropriately captured and maximised, a medical services billing audit process is conducted by WACHS Finance on a quarterly basis.

The audit is based on a random sample of billable **inpatient** admissions and focuses on issues raised in past Office of the Auditor General (OAG) audits such as ensuring:

- appropriate signed Patient Claim Type (financial election) Forms
- billable events have been invoiced
- billing has appropriate instruction from the medical practitioner.

This document outlines the audit procedure.

2. Procedure

2.1 WACHS Finance Accounts Receivable (AR) Hub is to prepare an [audit schedule](#) that includes all regional resource centres (RRC) and integrated district health services (IDHS). Three hospitals are to be audited each quarter on a rotating basis.

2.2 Once per quarter, WACHS Finance AR Hub is to extract, for the scheduled hospital sites, a sample of data to be audited;

2.2.1 Run the WebPAS Inpatient Admissions – Movements report for billable admissions for the relevant time period.

2.2.2 Select a sample using a random number generator.
<https://trumpexcel.com/generate-random-numbers-excel/>

2.2.3 Complete the [Medical Services Billing Audit Form](#) with the sample data.

- 2.2.4 Check PBRC and update the Medical Services Billing Audit Form to:
 - 2.2.4.1 Note whether the accommodation invoice has generated (and been paid) and;
 - 2.2.4.2 Record details of any medical service invoices relating to the sample episodes
- 2.2.5 Source the signed [webPAS Claim Type \(Election\) Forms](#) for these admissions.
- 2.2.6 Send the Medical Services Billing Audit Form to the relevant hospital Operations Manager or Business Manager (cc: regional Finance Manager and Director Business Services) for completion by hospital staff.
- 2.3 The hospital site is to, within two weeks:
 - 2.3.1 For all admissions where medical services have been billed, provide a copy of the [Medical Services Billing Information Form/s](#) evidencing the medical practitioner's instruction to bill.
 - 2.3.2 For all admissions where some or all medical services have not been billed, provide an explanation for the absence of billing (e.g. medical practitioner is a CMP who charges patients directly and receives fee-for-service). Relevant detail should be provided (e.g. name of CMP) to enable explanation to be verified.
 - 2.3.3 Record their findings on the Medical Services Billing Audit Form and return it to WACHS Finance AR Hub together with the supporting Medical Services Billing Information Forms.
- 2.4 Upon return of the documents, the WACHS Finance AR Hub officer responsible for audit is to:
 - 2.4.1 Check and verify all the documents and update the Medical Services Billing Audit Form for each admission in accordance with the documentation received.
 - 2.4.2 Where billing of medical services hasn't occurred, ensure the explanation provided is reasonable.
 - 2.4.3 Add any comments regarding adverse findings against the relevant line.
 - 2.4.4 Summarise any adverse findings at the bottom of the Medical Services Billing Audit Form.
 - 2.4.5 File in HPE Records Manager all correspondence with the site, Medical Services Billing Information Forms, webPAS Private Patient Election (Claim Type) Forms and the Medical Services Billing Audit Form.

2.4.6 Forward a copy of the completed Medical Services Billing Audit Form (with HPE Records Manager link) to Manager Revenue Enhancement or Coordinator Accounts Receivable.

2.5 The Manager Revenue Enhancement or Coordinator Accounts Receivable is to:

2.5.1 Review and note the summarised audit findings.

2.5.2 Forward a copy of the completed Medical Services Billing Audit Form to the relevant Operations Manager or Business Manager (cc: regional Finance Manager and Director Business Services).

2.6 Significant Findings

2.6.1 The Manager Revenue Enhancement or Coordinator Accounts Receivable is to discuss with the site (Operations Manager/Business Manager) any specific issues that arise from the audits.

2.6.2 Action is to be taken to mitigate and address specific issues and evidence of that action is to be documented on the Medical Services Billing Audit Form in HPE Records Manager.

If any issues of significance are found, a re-audit may be performed in a subsequent quarter at the initiation of either the Manager Revenue Enhancement, Coordinator Accounts Receivable, Operations Manager or Business Manager.

2.7 Timelines

See [Medical Services Billing Audit Timing and Schedule](#) for the timing of:

- the data extract
- sending the Medical Services Billing Audit Form to site
- site completion of Medical Services Billing Audit Form.

This schedule is to be updated from time to time by Manager Revenue Enhancement or Coordinator Accounts Receivable.

The schedule also provides the naming convention for the Medical Services Billing Audit Form.

2.8 Reporting

The Manager Revenue Enhancement is to collate all regional submissions of findings and actions, and present in a briefing note to the Director Finance for tabling at the monthly Executive meeting.

An annual report will also be prepared for noting at the WACHS Audit, Risk and Integrity Sub-Committee.

3. Definitions

WebPAS	WACHS web-based patient administration system
PBRC	WACHS patient billing and revenue collection system
AR Hub	WACHS Finance Accounts Receivable Hub based in Bunbury
Patient Financial Election Form	<p>A form signed by an admitted patient evidencing;</p> <ul style="list-style-type: none"> • their choice of financial election and • the consequences of private patient election <p>Referred to in webPAS as “Claim Type Form”</p>
Medical Services Billing Information Form	<p>A form signed by the medical practitioner showing the:</p> <ul style="list-style-type: none"> • Patient details • Date/s of service • Item number/s of service/s provided <p>Forms are non-standard and can be adapted to suit the medical practitioners frequently billed services</p>

4. Roles and Responsibilities

The primary contact for this audit procedure is the Manager Revenue Enhancement who is responsible for the overall coordination and management of the audit.

The regional Operations Manager is responsible for taking action to mitigate and address specific issues that arise from the audit.

5. Compliance

Failure to comply with this procedure may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Integrity Policy Framework](#) issued pursuant to section 26 of the [Health Services Act 2016](#) (WA) and is binding on all WACHS staff which for this purpose includes trainees, students, volunteers, researchers, contractors for service (including all visiting health professionals and agency staff) and persons delivering training or education within WACHS.

WACHS staff are reminded that compliance with all policies is mandatory.

Contracted medical practitioners are bound by the same policy frameworks and requirements while undertaking work on behalf of WACHS.

6. Records Management

All WACHS corporate records must be stored in the approved Electronic Documents and Records Management System.

[Records Management Policy](#)

7. Evaluation

This procedure was developed to monitor and address issues raised in past Office of the Auditor General (OAG) audits.

This policy is to be reviewed every three years or earlier by the Manager Revenue Enhancement.

8. Standards

[Australian Accounting Standards](#)

[National Safety and Quality Health Service Standards](#) – 11.4, 15.4, 15.5, 15.8

9. Legislation

[Health Services Act 2016](#) (WA)

[Financial Management Act 2006](#) (WA)

10. References

[WACHS Medical Services Billing Administrative Guide](#)

[WACHS Medical Services Fees and Charges Rate](#)

[National Health Reform Agreement 2020-2025](#) – Schedule G24 – Public Hospital

[Admitted Patient Claim Type \(Financial Election\) Forms](#)

ED-CO-20-97699 [Medical Services Billing Audit Timing and Schedule](#)

11. Related Forms

[Medical Services Billing Information Form](#)

[Medical Services Billing Audit Form](#)

Sample [WebPAS Private Patient Claim Type Form](#)

12. Related Policy Documents

Nil

13. Related WA Health System Policies

[WA Health Financial Management Manual](#)

[WA Health Patient Fees and Charges Manual](#)

14. Policy Framework

[Financial Management](#)

**This document can be made available in alternative formats
on request for a person with a disability**

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