

# AUDIT SYSTEM

**FOR THE UNIVERSAL COVERAGE SCHEME (UCS)  
IN THAILAND**

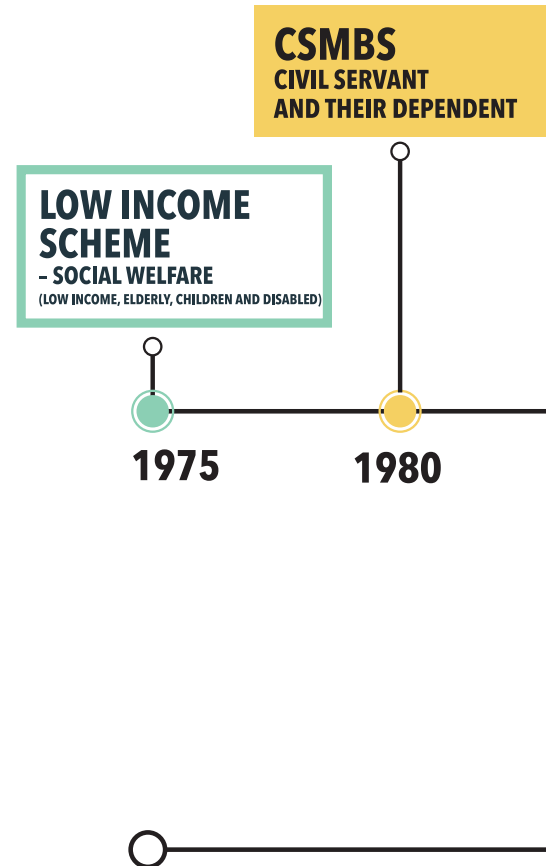


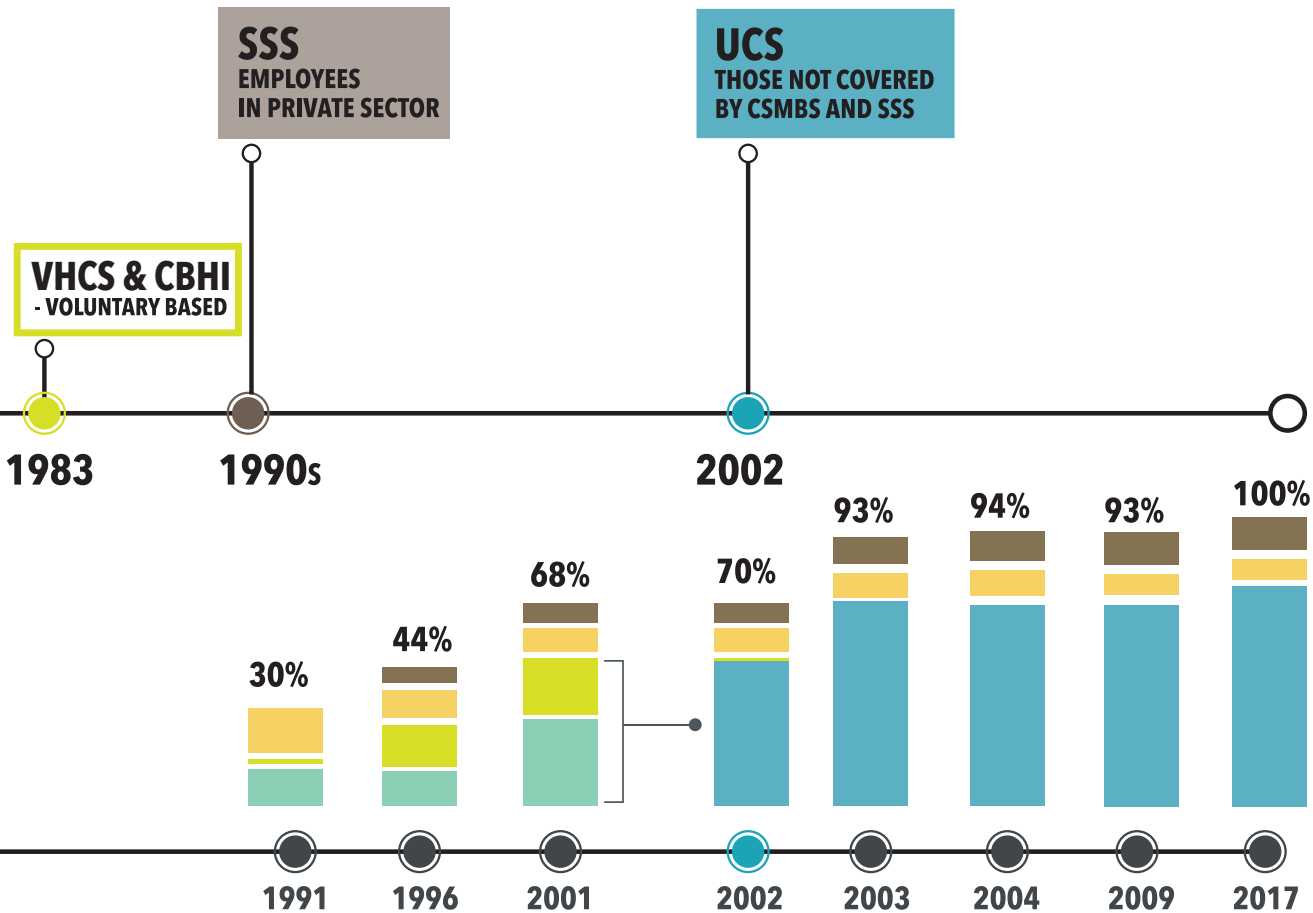
# INCREMENTAL DEVELOPMENT

## BUILDING ON STRONG FOUNDATION

The health care insurance system in Thailand has a long history of evolution for three decades to improve equity in health. Thailand established its first welfare scheme in 1972. The Workers Compensation Scheme covers work-related illnesses and injuries. The insurance expanded to cover non-work related illnesses and injuries in 1990 under the Social Security Scheme (SSS). These two schemes are compulsory insurance program for employees of private businesses. For public employees, the Civil Servant Medical Benefit Scheme (CSMBS) was established in 1980 to provide health care to government employees, their dependents and government retirees. SSS and CSMBS are implemented under the Ministry of Labor and the Ministry of Finance respectively.

For the informal sector, the health insurance implemented under the Ministry of Public Health first introduced the Medical Welfare Scheme (MWF) in 1975 to provide health care to the poor free of charge. The program was later expanded to cover the elderly, children and other underprivileged groups. The Voluntary Health Card Scheme (VHCS) was introduced in 1983 for families on a voluntary basis, including community-based health insurance (CBHI). And finally, the Universal Care Scheme (UCS) was established in 2002 which makes health insurance cover all Thai citizens.





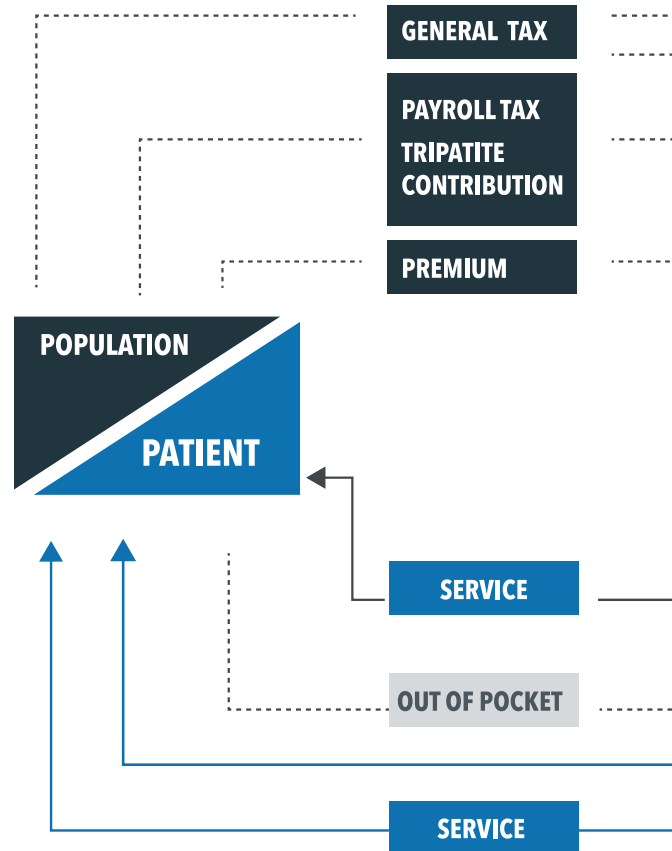
# MULTIPLE SYSTEMS & MULTIPLE FINANCING MECHANISMS

## MECHANISMS

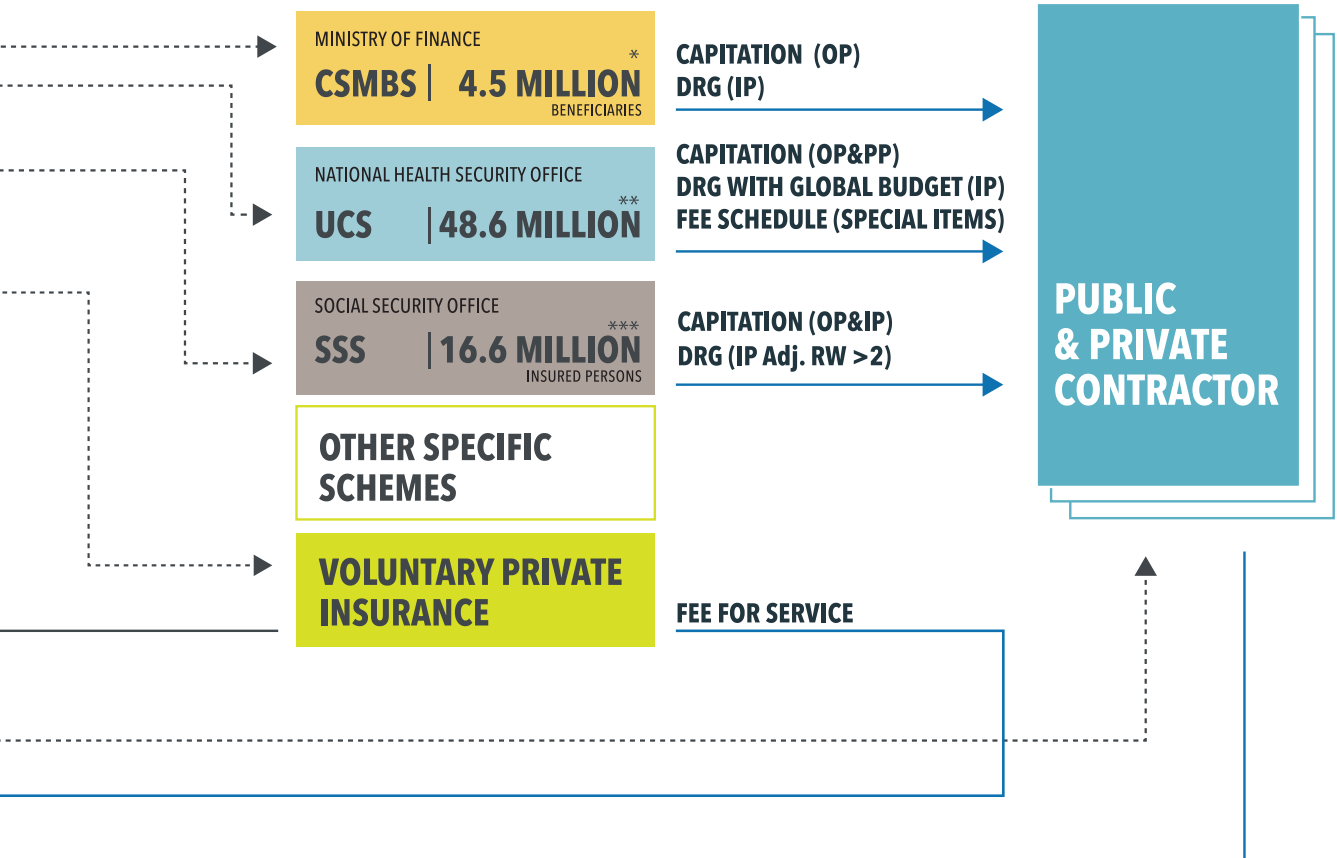
CSMBS is financed through general tax revenue with no premium payments from the beneficiaries. Beneficiaries are liable for copayments for the room and board charges associated with inpatient care that is over the set amount. The payment systems for CSMBS use DRG for inpatients and fee for services for outpatients.

SSS is financed equally by employers, employees and the government. Beneficiaries are liable for copayments for some services. SSS pays a fixed capitation rate per enrollee. Additional payments are made for certain high cost services with budget capped.

UCS is fully funded through general tax with no premium payments from the beneficiaries. UCS capitation payments cover outpatient services, disease prevention and health promotion. Inpatient services are paid prospectively using DRGs with global budget.



# USC FINANCING SYSTEMS



Source: \*National Statistical Office (2019); \*\*National Health Security Office (2019) and \*\*\*Social Security Office (2019)

# **AUDIT SYSTEM**

# WHY WE NEED AUDIT SYSTEM

Benefits of auditing can be classified into 3 groups.

## IMPROVE OPERATIONAL EFFICIENCY

Auditing identifies all types of errors and directs to the root of any coding problems. The auditing will make physicians and staff perform with higher degree of effectiveness and efficiency. The audit should identify underpayments as well as overpayments and ensure accurate reimbursement.

## IMPROVE DATA QUALITY

With the necessary feedback, training and follow up, it will result in improved data quality. More reliable data will be available for reporting and research.

## IMPROVE QUALITY OF MEDICAL SERVICES

Quality audits will ensure medical services are according to standard.

**ACCOUNTABILITY**

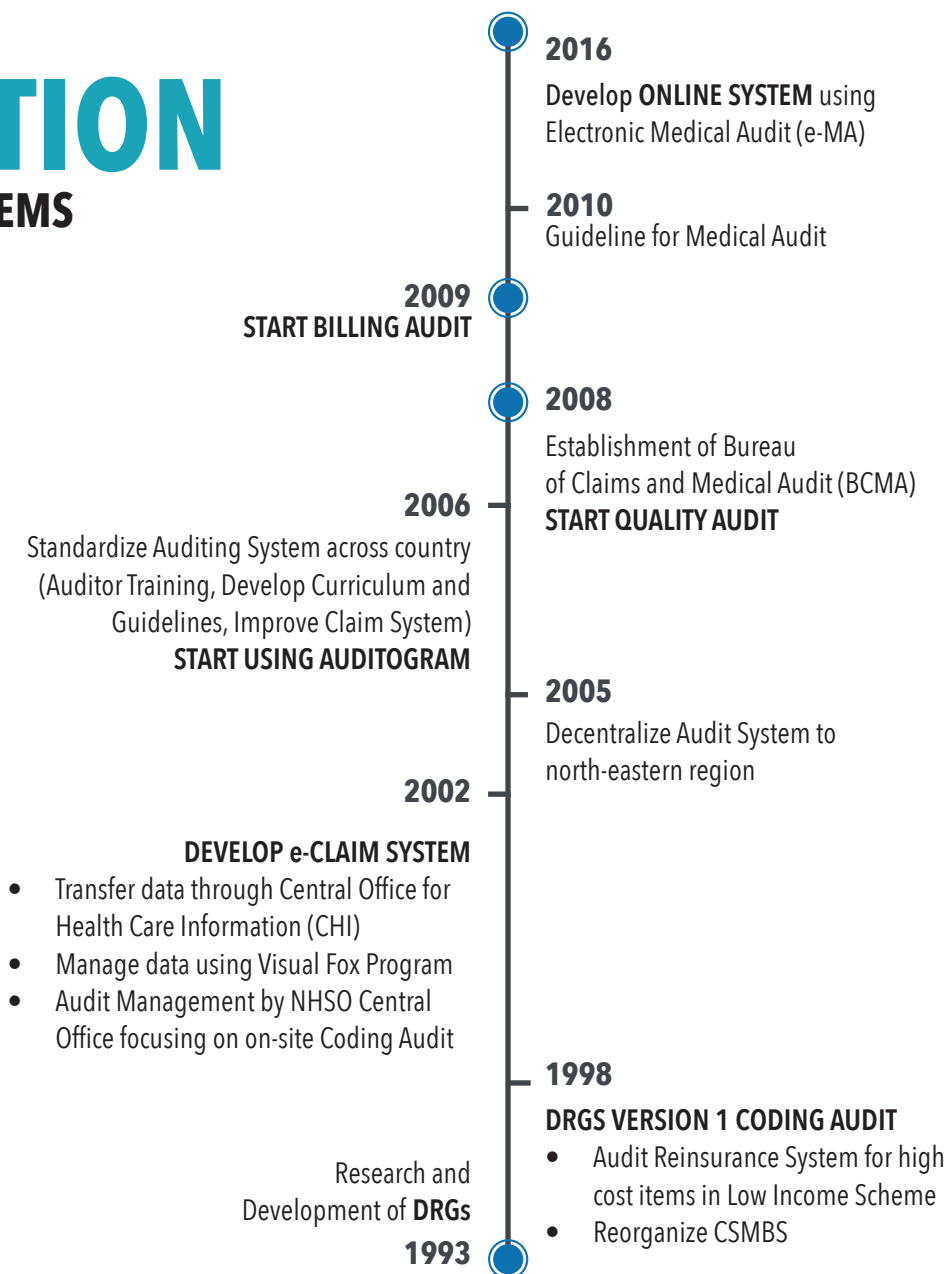
**EQUITY**

**TRANSPARENCY**



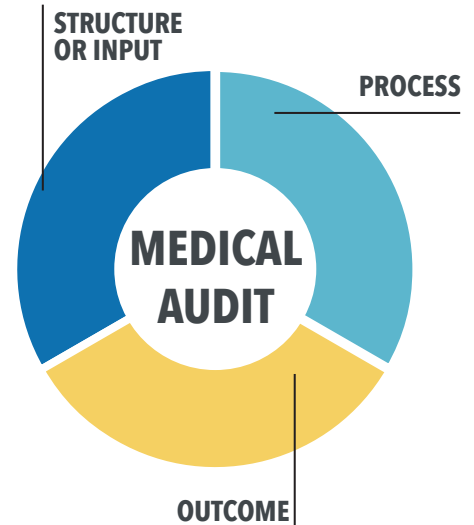
# EVOLUTION

## OF AUDITING SYSTEMS IN THAILAND





## COMPONENT OF MEDICAL AUDIT

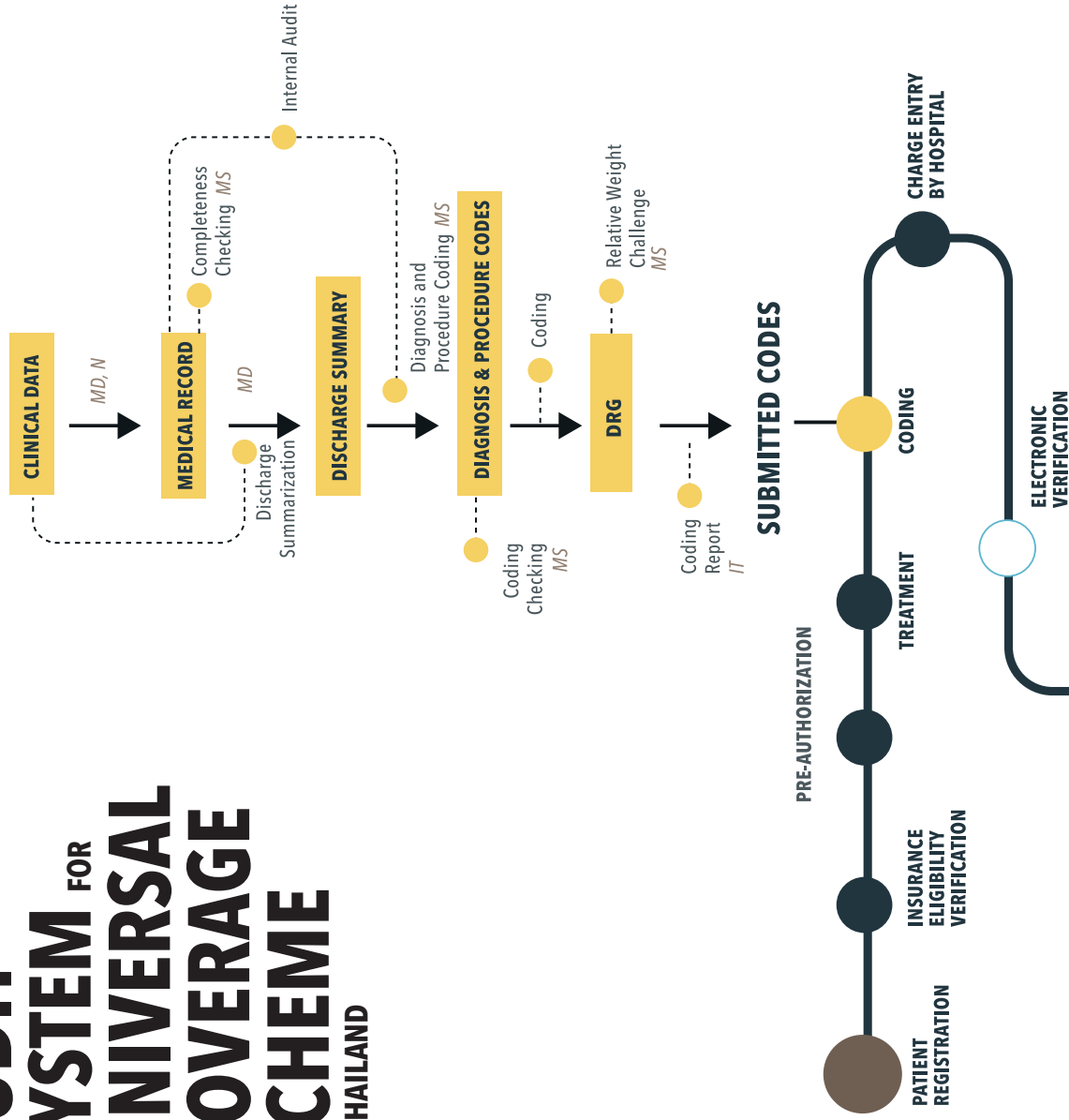


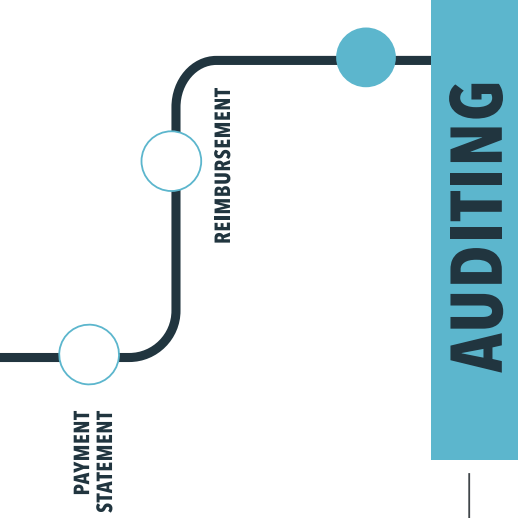
# DIFFERENT AUDIT FOR DIFFERENT PAYMENT

FINANCIAL MECHANISM	SERVICE	AUDIT
<b>CAPITATION</b>	<b>OP/PP</b> (GENERAL)	<b>NO AUDIT</b>
<b>CASE BASED PAYMENT</b> (DRG WITH GLOBAL BUDGET)	<b>IP</b> (GENERAL)	<b>CODING AUDIT</b>
<b>FEE SCHEDULE</b>	<b>OP/IP/PP</b> (SPECIAL SERVICE)	<b>BILLING AUDIT</b>
<b>FEE FOR SERVICE</b>	<b>OPAE</b>	<b>BILLING AUDIT</b>

**QUALITY AUDIT & MEDICAL RECORD AUDIT**

# AUDIT SYSTEM FOR UNIVERSAL COVERAGE SCHEME IN THAILAND





## AUDIT PROCESS

- INFORM HOSPITAL 3-15 DAYS PRIOR TO AUDITING
- CONDUCT ONLINE OR ONSITE AUDIT BY NHSO
- REPORT RESULTS WITHIN 30 OFFICIAL DAYS

**HOSPITAL ACCEPTS RESULTS**

CLAIMS TRANSMISSION

**RECALL PAYMENT** | **ADDITIONAL PAYMENT**

NHSO REPORT TO ACCOUNTING OFFICE FOR **ADDITIONAL** OR **RECALL PAYMENT**

**FINANCIAL ARBITRATION SUB-COMMITTEE**

**YES**

**YES**

**NO HOSPITAL AGREE** AFTER BEING INFORMED BY NHSO

## AUDITING APPEAL PROCESS

**1<sup>ST</sup> APPEAL** BY HOSPITAL WITHIN 30 DAYS

AUDITORS RECONSIDER WITHIN 30 DAYS

**NO**

**2<sup>ND</sup> APPEAL** BY HOSPITAL WITHIN 15 DAYS

**NO**

NHSO REGIONAL OFFICE SUBMITS REPORTS TO BOARD OF MEDICAL AUDIT FOR CONSIDERATION

**NO**

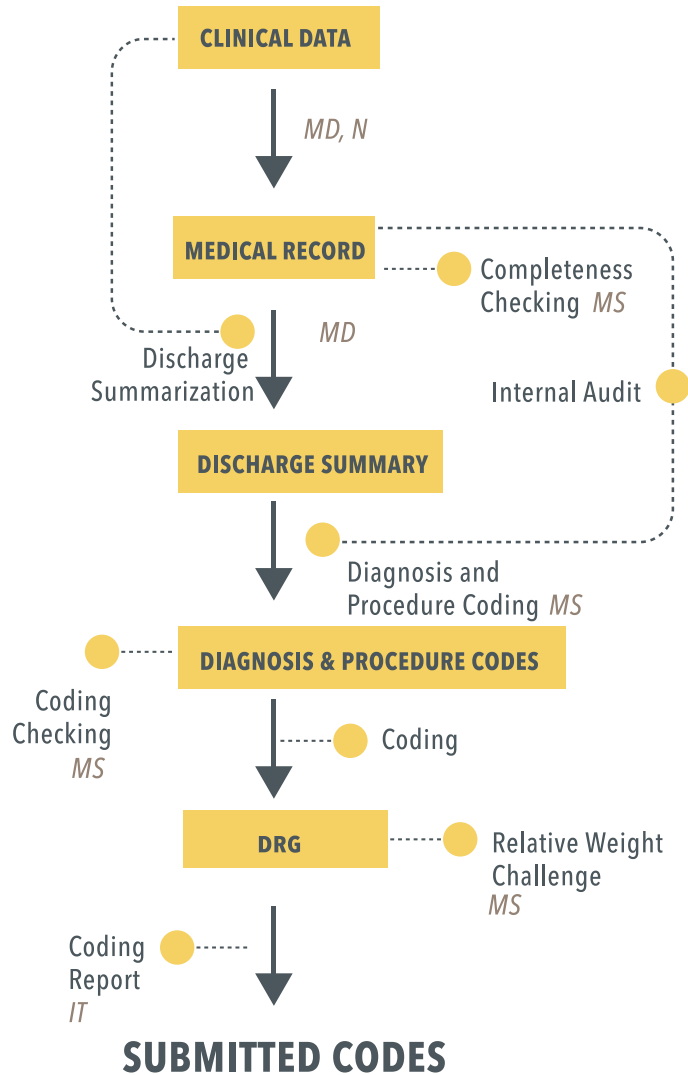
**3<sup>RD</sup> APPEAL**, NHSO SUBMITS REPORTS TO RELATED MEDICAL ASSOCIATION(S) FOR FINAL DECISION

**FINAL**

# **CODING AUDIT**

# WHAT IS DRGs

Diagnosis-related groups (DRGs) is a way of categorizing inpatient hospital visits, severity of illness and resource utilization. It originated in New Jersey, developed by Prof. Robert Fetter and his team at Yale University in the 1970s. Each medical procedure will determine the code and will be converted into a monetary amount for claiming.



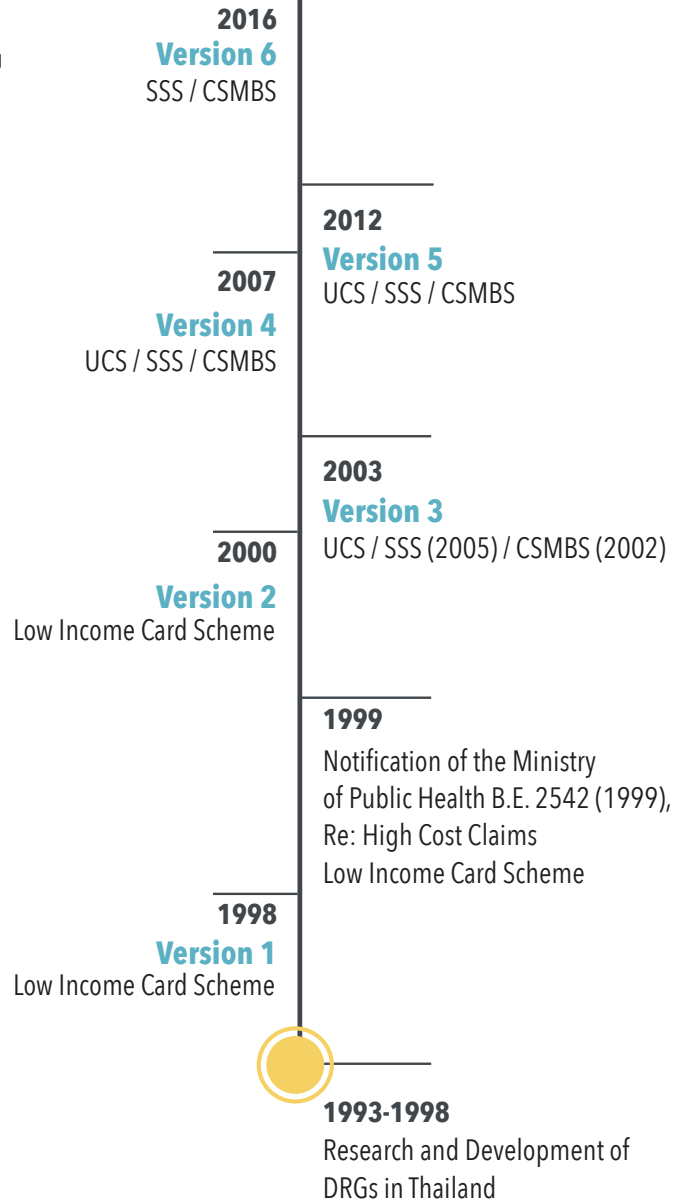
## Actors

<i>MD</i>	Physician
<i>N</i>	Nurse
<i>MS</i>	Medical Statistician
<i>IT</i>	Information Technology staff
<i>FA</i>	Finance / Accounting staff

# DEVELOPMENT OF DRGs

## IN THAILAND

Thailand has developed the Thailand Diagnosis-Related Group (TDRG) since 1993 when the Road Accident Victims Protection Act was enacted in 1992. The first phase during 1993-1997 was the research phase to develop TDRG. The first version of TDRG was introduced and implemented in 1998 for the Low Income Card Scheme and later for CSMBS in 2002, USC in 2003 and for SSS in 2005. TDRG advanced to version 6 in 2016.



# DRGs

Using DRG with global budget can help control costs of medical treatment. However, use of DRG can lead to coding adjustment or manipulations as been called “DRG creep” which is “a deliberate and systematic shift in a hospital’s reported case mix in order to increase reimbursement”. The coding audit is designed to minimize the coding errors, both intentional and unintentional, and to ensure reimbursement of the services are accurate. In Thailand, the coding audit is retrospective which is to review submitted claims.

## SAMPLING METHODS

Auditing all coded records would be expensive and inefficient, so the best approach is to perform audits on a sample of accounts. The most efficient sample size is the smallest one that best reflects an accurate representation of the coding accuracy and risk. In Thailand, we sample up to 3 percent of inpatient charges.

Thailand uses two sampling methods:

### 1. TARGETED SAMPLING

Targeted sampling is to select the charges from high probability of having coding and documentation errors or high-risk areas and high-cost charts.

### 2. RANDOM SAMPLING

Random sampling is to select the charges from the total charges without any condition.

# TARGETED SAMPLING

The conditions used for targeted sampling are divided into 2 categories: data category and hospital category.

## DATA SELECTION CRITERIA

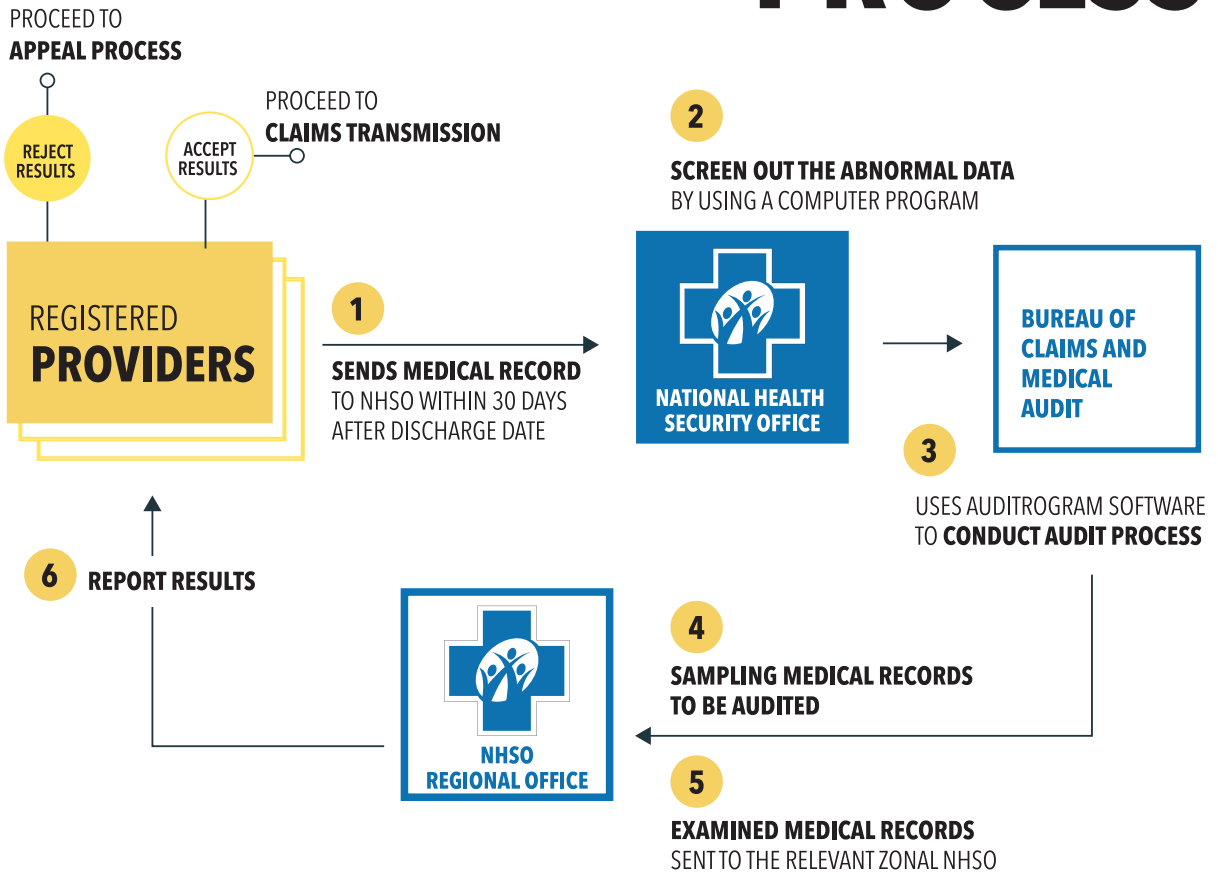
- Top 20 diseases ranked by number of admission
- Top 20 diseases ranked by reimbursement
- Unrelated procedures with principle diagnosis
- High RW point but low admission days and low cost
- Patients with SDx or severe complication but low admission days and discharged status as "cured"
- Sepsis (PDx or CC) with few admission days and discharged status as "cured"
- Shock with many causes for short admission length
- Appendectomy with co-morbidity or severe complications
- etc.

## HOSPITAL SELECTION CRITERIA

- High-level trend in adjusted RW-per-admission (Casemix Index), compared year to year
- More-than-average claims RW>3
- More-than-average claims in Accidental and Emergency
- Coding diagnosis and procedure in excess of hospital capacity
- High-level PCCL ( Patient Clinical Complexity Level), compared with other hospitals of similar level
- Random auditing with number of mistakes above the mean
- etc.



# CODING AUDITING PROCESS



# **BILLING & QUALITY AUDIT**

## **BILLING AUDIT PROCESS**

- Sampling health facilities to be audited
- Select medical records to be audited according to payment condition of the special projects
- Claims transmission will be made after the auditing same as in the coding audit

## **QUALITY AUDIT PROCESS**

- Sampling health care facilities to be audited according to the services specified in that year
- Sampling cases of treatment of specific diseases in the selected health facilities
- Medical record will be audited in terms of process of treatment according to standard of care

# GRADING SYSTEM

## **A SYSTEM FOR PROVIDING SCORES TO HOSPITALS USING 8 CRITERIA**

1. Percent of medical records that are correct
2. Percent of medical records impact on the relative weight (RW) value
3. Percent of correct disease and surgery summaries (SA0)
4. Percent of excess disease summaries without evidence (SA2D)
5. Percent with correct disease codes (CA0)
6. Percent with excess disease codes without evidence (CA2D)
7. Number of relative weight units that have changed
8. Percent of change in relative weight units

All 8 criteria are summed to produce a mean (X) score. Each group of data are compared with the mean score and ranked from 0-4.

# 4 GROUPS OF DATA

Scores from all 8 criteria will be calculated and ranked from 0-4 where score 0 indicates the best performance and score 4 means the lowest performance. According to the comparative scores from current and previous years, hospitals will be divided into different grades which are represented by different colors.

		0	1
<b>GRADING</b>	TOTAL SCORE OF 8 CRITERIA	> MEAN	< MEAN
<b>SELECT</b>	PERCENTAGE CHANGE <b>Adj. RW</b>	< MEAN	> MEAN
<b>SELECT 2</b>	NUMBER CHANGE <b>Adj. RW</b>	< MEAN	> MEAN
<b>CA2D</b>	HOSPITALS WITH THE AUDIT RESULTS <b>CA2D</b>	< MEAN	> MEAN
<b>EXCELLENT 0 POINT &lt;&lt; ----- &lt;&lt; 4 POINTS POOR</b>			



**Red**

Score of current year = 4 /or change from 3 to 4



**Pink**

Score increased from previous year to 1 or 2



**Orange**

No change of score (except for 4)



**Yellow**

Score decreased to 1 or 2



**Green**

Score decreased to 0



**White**

Previous Score = 0, audit is not required



# AUDIT INFRASTRUCTURE

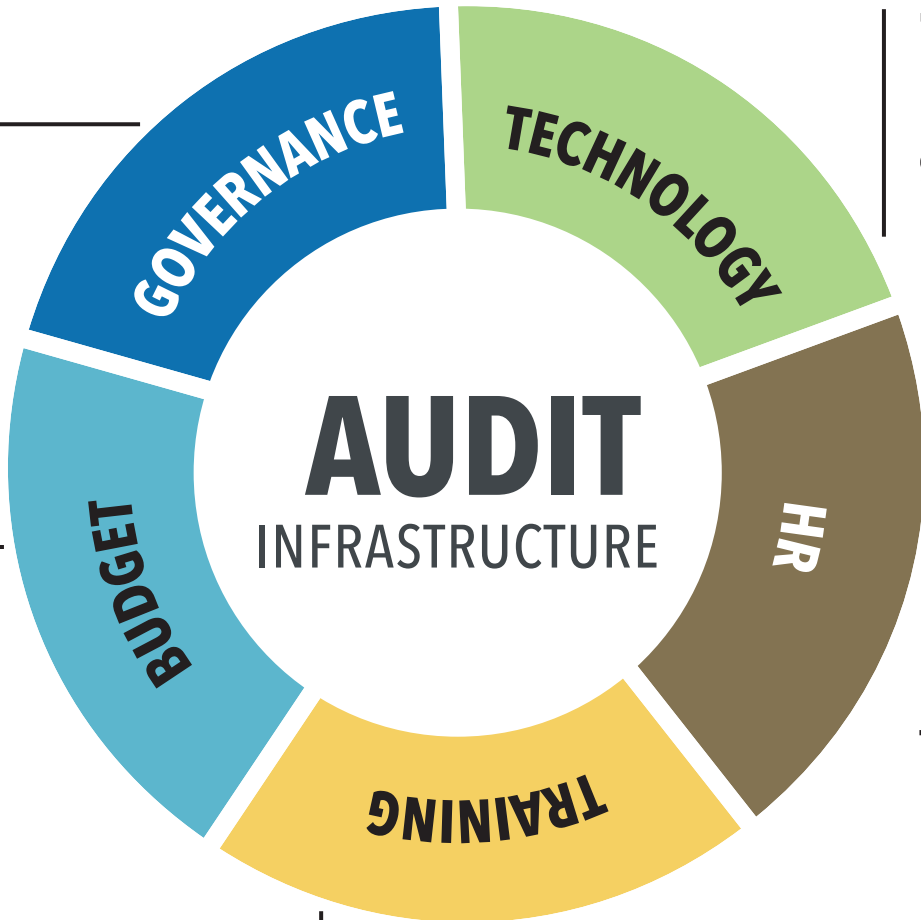
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## GOVERNANCE

Code of conduct  
Organization Structure

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## BUDGET



## **TECHNOLOGY**

AUDITGRAM  
Electronic Medical Audit (e-MA)  
e-Claim  
Visual Fox  
DRGs

**2,272 AUDITORS**

## **HUMAN RESOURCES**

Physician  
Nurse  
Medical Statistician  
Information Technology staff  
Finance / Accounting staff

## **TRAINING**

Personnel Training  
Database Development

# **CASE STUDIES**



## CASE 1

# CODING AUDIT

### BACKGROUND

In the regular coding audit in 2012, the regional office found Hospital A case mix index increased substantially in the past 3 years from 1.3 to 2.3 without evidence to show increase in hospital capacity.

### AUDIT PROCESS

- Regular audit process found CMI increased from 1.3 to 2.3 within 3 years
- Found errors of medical records in specific diseases
- Audited all medical records of those diseases and found errors in 2,152 records
- NHSO sent 2,152 records to the hospital to correct the errors in coding
- Hospital corrected only 420 records, leaving 1,732 records unchanged
- NHSO recalled payment for 16,618,079 baht or 52%

### HOSPITAL APPEALED

#### 1<sup>st</sup> appeal

Subcommittee confirmed the decision to recall payment and charge fines

#### 2<sup>nd</sup> appeal

Board confirmed the decision to recall payment and charge fines

### LESSONS LEARNED

- NHSO can only recall payment but cannot charge fines of misconduct according to the Act.
- Recall payment alone is not enough to provide incentive to make accurate coding since recall payment can be made only on selected records that have been audited which was only 1% of total records.
- Other systems need to be developed to improve the accuracy of the coding system. NHSO has developed the "Grading System" to improve the coding system of the hospital.

## CASE 2

# BILLING AUDIT

### BACKGROUND

In 2013 NHSO regional office found claim payment of contraceptives of Hospital B was too high. They performed billing audit retrospectively during 2011–2012.

### AUDIT PROCESS

Audit list of women who received contraceptives during this period and found some errors:

- List of women were employees of factories in the area in which Hospital B sent contraceptives to the factories to distribute to women without checking the patient condition

List of women who received contraceptives have some errors:

- High number of women who received contraceptives were aged over 49 and under 15 years
- Some women who received contraceptives were during pregnancy
- Records and signature of women who received contraceptives were similar which seems to come from the same person

NHSO regional office recalled payment of 20,694,360 baht from Hospital B and canceled payment of 800,240 baht

### HOSPITAL APPEALED

#### Hospital B appealed

Subcommittee confirmed the decision to recall the payment

#### Hospital B took legal action of this case to Administrative Court

After internal discussion with the Director of the Hospital, the Director withdrew the case.

### LESSONS LEARNED

From this case, NHSO has developed the criteria for health promotion and prevention to be clearer. The age of women who receive contraceptives has been set to be between age 15-49.

## CASE 3

# IMPROVE QUALITY OF MEDICAL RECORDS

### BACKGROUND

Hospital C found that RW was lower than other hospitals with similar level of care. They found problems in quality of coding and delay in sending medical records for claiming. They developed the coding system in the hospital.

### AUDIT PROCESS

- Set up committee to review coding and diagnosis
- Sent staff to attend training from NHSO and MOPH
- Provide incentive to doctors to send summary record on time
- Set monitoring system to monitor coding and RW

### RESULTS

- Hospital C received higher additional payment due to correct coding
- They received the Claim Award from NHSO as Best Practice in Coding
- Grading of Hospital C is in "Green"

### LESSONS LEARNED

- Hospitals that have good attitude toward auditing and use feedback from auditing to improve the coding system in the hospital can improve both its financial status and quality of care
- The success comes from leadership of the administrative team and collaboration of all staff.



National Health Security Office