



Audit Department

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Angela M. Darragh, CPA, CFE, CISA, Director

March 11, 2015

Mr. Mason VanHouweling
University Medical Center of Southern Nevada
1800 West Charleston Blvd.
Las Vegas, Nevada 89102

Dear Mr. VanHouweling:

We recently initiated a review of E/M Levels of Service. Our objective was to ensure that UMC is in compliance with current federal laws, regulations and guidelines regarding the appropriate use of new-patient or established-patient codes when submitting claims to Medicare.

To accomplish our objective, we held discussions with UMC Patient Accounting staff to determine the current status of claim submission when billing the E/M Level of Service. Through these meetings, we determined that UMC properly migrated to the use of the new collapsed G-Code in January 2014 as required by the 2014 OPPS Final Rule for Medicaid and Medicare billing. At that time, CMS collapsed the current five levels of codes for hospital outpatient evaluation and management (E/M) clinic visits into a single code. This single code is assigned to an ambulatory payment classification with a single payment rate for all outpatient clinic visits based on the total mean costs of Levels 1 through 5 clinic visit codes for new and established patients. We verified that the Star system contains the appropriate cross reference codes to correctly bill E/M visits.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

We appreciate the cooperation and assistance provided by the UMC Chargemaster during the course of the audit.

Sincerely,

A handwritten signature in blue ink that reads "Angela M. Darragh".

Angela M. Darragh, CPA
Audit Director

CC: Don Burnette, Clark County Manager