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Is It Time to Add Clinical Expertise to the Internal Audit Function?

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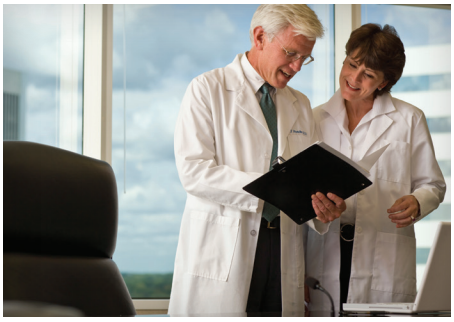

Reimbursements and financial sustainability have never been so closely interwoven with clinical performance as they are now. The connection between quality outcomes and evidence-based protocol implementation on the clinical side and an organization's financial stability and market strength on the finance side will only strengthen as the provisions of the *Affordable Care Act* continue to unfold.

One example of this trend is the Severe Sepsis and Septic Shock: Management Bundle measure (National Quality Forum 0500). The Centers for Medicare & Medicaid Services announced a requirement for hospitals and health systems to comply with this measure by Oct. 1, 2015. Although it is only one of many evidence-based care bundles, the deadline to comply with the bundle for this major cause of hospital mortality is fast approaching.

A bundle is a grouping of generally three to five diagnosis-specific, evidence-based care protocols that have been shown through scientific research to have a greater effect on patient outcomes when implemented as a whole rather than individually. Interventions are tied together into a package that clinicians know must be followed for every patient, every time. For sepsis, studies have shown that timely monitoring of lactate levels and responsive administration of antibiotics and IV fluids greatly improves the likelihood of patient survival.

A poll taken during a recent webinar by CHAN Healthcare, a subsidiary of Crowe Horwath LLP, suggests that healthcare organizations still have work to do to meet the requirements of the sepsis bundle. Forty percent of participants indicated that their organizations have developed and implemented a sepsis management protocol, 22 percent said they are beginning to implement, but a surprising 38 percent indicated that they have not yet begun to implement evidence-based protocols for sepsis.

Organizations that do not have a dedicated team in place to implement the sepsis bundle risk poor clinical outcomes for patients. Poor performance leads to penalties and reputational impact through public reporting. The sepsis bundle is a clear example of the extent to which clinical quality will continue to affect hospitals' financial well-being and competitiveness as the overall landscape and local markets evolve.

Regardless of where an organization might be in its efforts to meet sepsis standards or tackle the plethora of other federal quality and safety requirements, now is the time to consider incorporating clinical audits into internal audit and risk management activities.

Clinical audits historically have not been incorporated into many hospital internal audit functions, in part because auditing traditionally has been viewed as primarily a financial and operational activity. In the past, the financial and administrative realm functioned almost entirely isolated from the clinical realm.

These conventional boundaries have been breaking down during the past several years as clinicians and healthcare professionals work collaboratively toward shared goals in response to healthcare reform. Stakeholders are coming together as the business of healthcare becomes less about billing procedures and more about continuous process improvement to care effectively for patients and keep them well. In short, the time has arrived to combine the value of internal audit's process analysis capabilities with clinicians' deep understanding of patient care requirements.

Based on approximately 1,300 annual audits performed, clinical audits represented 3 percent of CHAN audit plans in 2014. By 2015, that figure grew to 6 percent. For example, during this time, clinical audits were performed to validate adherence to evidence-based protocols for ventilator-acquired pneumonia, catheter-associated infections, and sepsis. For sepsis alone, more than 4,000 medical records were audited to support client performance improvement efforts.

Although the percentages are relatively low, the fact that the rate of clinical audits doubled in one year demonstrates the growing need for and value of this risk management activity in the current healthcare environment. CHAN expects the trend to continue.

Like other audits, clinical audits provide the added value of an independent perspective, employing the principles of process analysis to help the healthcare organization identify gaps in its clinical processes and formulate solutions. Auditors work collaboratively with client staff. The clinical auditor validates information in the medical record while the operational auditor reviews policies, procedures, educational requirements, and other critical aspects of process improvement.

Together, the team works to do the following:

1. Identify root causes of problems so that once a problem is identified, an effective solution can be implemented.
2. Examine data and trends to advise about potential solutions.
3. Retest and measure following process implementation to determine whether the intended improvement has occurred.
4. Look at the process after implementation to see whether the process is working and staff members are adhering to the proper steps.
5. Review the electronic and other tools that are being used to capture information, and advise on the most effective use and organization of those tools.
6. Help the organization sift through the multitude of competing issues and set healthcare delivery improvement priorities.

The validation process of a clinical audit can, in some cases, uncover previously unrecognized problems. An audit that reveals consistently late delivery of laboratory results, for example, might expose further problems with order entry or the electronic medical record. In many cases, small changes can make a major difference. Identifying these changes requires asking “Why?” multiple times to find the problem’s real source.

Auditors who are intimately acquainted with clinical issues and the healthcare delivery requirements and are independent from day-to-day operations can offer an “extra set of eyes” and the insight necessary to identify opportunities to improve performance. A collaborative approach that blends the providers’ knowledge and expertise with the distance of an outside audit partner can give the visibility needed to achieve sustainable improvement.

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