BON SECOURS HEALTH SYSTEM, INC.
FLEXIBLE DATA ANALYSIS FOR A DYNAMIC INDUSTRY

"OUR INITIAL FINDINGS GENERATED CONSIDERABLE INTEREST, THESE ARE BIG DOLLARS, AND EVERYONE WANTED TO KNOW HOW WE FOUND THEM. I THINK ACL WILL SOON BE MORE THAN AN INTERNAL AUDIT TOOL – IT WILL BE AN ORGANIZATIONAL TOOL."

-BRYON NEAMAN, DIRECTOR OF INTERNAL AUDIT

Bon Secours is among the largest US Catholic healthcare providers with hospitals and care facilities in nine states. The internal audit department faces significant data analysis challenges, given the size and complexity of vendor files, and human resources data. The audit team must also respond to ever-changing healthcare legislation from local, state, and federal governments. Bon Secours chose market-leading ACL data analysis software to implement repeatable analytics and gain increased coverage of company data. In only three months, internal auditors identified over US $500,000 in duplicate payments, and in an 18-month period, found over US $1 million in lost gross patient charges. Committed to constantly improving controls certification within the organization, Bon Secours relies on ACL technology to meet—and exceed—its internal controls requirements.

Challenges

Bon Secours Health System, headquartered in Marriottsville, Maryland, owns, manages, or jointly operates 24 acute-care hospitals, one psychiatric hospital, nine nursing care facilities, eight assisted living facilities, two retirement communities, home healthcare services, and hospices. It is a US $2.3 billion not-for-profit Catholic health system (FY 2002 total revenues). Bon Secours’ more than 27,000 caregivers serve people in 15 communities in nine states, primarily on the East Coast. The Congregation of Sisters of Bon Secours also has healthcare ministries in France, Ireland, Great Britain, and Peru.

Customer Profile

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Accessing data was another challenge for internal auditors. In order to generate reports and summaries, staff needed to follow a time-consuming extraction procedure, which could take up to 30 minutes per file. Finally, Bon Secours was looking for a more effective way to assess the quality of its internal controls and business processes, and test the integrity, accuracy, and reliability of company data. With large file volumes in multiple locations, the internal audit team was only able to sample data, and was missing potential opportunities for performance enhancement and cost savings.

Solution
The Bon Secours audit team quickly embraced the ACL Data Analysis solution for its adaptability, especially in light of shifting healthcare regulations. "ACL is an essential and highly flexible tool in our audit toolkit," says Bryon Neaman, director of internal audit. "With ACL technology, we’re better equipped to deal with changing regulations and a constantly evolving industry."

Recently, the internal audit team began a continuous monitoring initiative focused on accounts payable (AP) files. In only three months, the audit team uncovered US $500,000 in duplicate vendor payments. Bon Secours auditors also used ACL analytics to analyze coding procedures on medical service bills, and found over US $1 million in lost gross patient charges during an 18-month time frame. These quick and dramatic findings not only improved the organization’s bottom line, but also raised the profile of the internal audit team throughout the organization. "Our initial findings generated considerable interest," says Neaman. "These are big dollars, and everyone wanted to know how we found them. I think ACL will soon be more than an internal audit tool—it will be an organizational tool."

ACL solutions have also enabled Bon Secours auditors to improve their reach and efficiency. Complex data transfers are now streamlined to allow downloading, analysis, and report generation with just one user application. With ACL software, internal audit has automated data handling processes that used to require manual intervention—allowing staff to spend valuable time exploring anomalies, and improving quality assurance and controls compliance procedures.

Bon Secours auditors are continually expanding their utilization of ACL software. For example, auditors will periodically use ACL technology to validate the accuracy of Bon Secour employee health coverage elections and related premiums. "This exercise provides assurance to our management team that our employees have health coverage consistent with their requests, and that the related insurance premiums assessed by our third-party administrator are accurate," says Neaman.

Results
The Bon Secours audit team has used ACL software solutions to:

- Confirm US $500,000 in duplicate payments over a three-month period.
- Identify US $1 million in lost gross patient charges during an 18-month billing period.
- Adapt to changing healthcare regulations at the federal, state, and local levels.
- Gain 100 percent coverage of company data, allowing auditors to move beyond sampling to better assess financial controls and business processes.
- Test human resources files for employee data inconsistencies and validate the accuracy of premium costs.

“ACL SOFTWARE IS A WONDERFUL TOOL TO HELP AUDITORS GAIN GREATER DATA COVERAGE IN AN EFFICIENT AND EFFECTIVE WAY. BON SECOURS IS A BIG PROPONENT OF ACL, AND WE FEEL IT’S VALUABLE IN EVERY AUDIT WE DO.”

-BRYON NEAMAN, DIRECTOR OF INTERNAL AUDIT

Learn more about what your organization can accomplish with ACL
Call 1-888-669-4225
or email info@acl.com
acl.com | references@acl.com