

**EFFECTIVE BOARD OVERSIGHT OF ETHICS AND  
COMPLIANCE PROGRAMS IN HEALTHCARE:  
A BOARD MEMBER'S TOP TEN LIST**

1. Educate yourself on what it means to have an effective ethics and compliance program by carefully reviewing the 1 ½ pages of the Federal Sentencing Guidelines (FSGs) related to compliance and ethics programs. The FSGs set the minimum standards for an effective compliance and ethics program (copy attached). Review the OIG white paper for healthcare boards.
2. Ask management to describe the specific activities undertaken to address each element of an effective compliance and ethics program under the FSGs. Most organizations have ethics and compliance programs, but many of these programs do not meet FSG requirements. The most common problems are board reporting by the Chief Ethics and Compliance Officer (CECO), inadequate monitoring and auditing programs and failure to adopt incentives to perform in accordance with the compliance ethics program.
3. Clearly communicate to management your expectation the organization will have an effective ethics and compliance program as defined by FSGs.
4. Insist the organization develop objectively measurable compliance and ethics metrics built around the FSGs, Office of Inspector General (OIG) Compliance Program Guidance and key risk areas for the organization's business activities (see attached).
5. Educate yourself on industry issues. Read the newspaper and note the issues other hospitals, clinics or healthcare organizations are facing. Ask management what is being done to ensure the organization does not face the same problem. Consider adding a compliance professional to your board or audit and compliance committee.
6. Insist that the CECO report to the CEO and/or board (or a committee of the board).
7. Require the CECO to make regular reports to the board on management's progress in implementing the compliance and ethics program.
8. Treat the compliance and ethics metrics as a gate to the incentive compensation process or minimum threshold for satisfactory performance in the performance evaluation process (including eligibility for pay increases).
9. Ensure transparency in the reporting of results related to management's efforts in meeting the compliance and ethics metrics.
10. Insist that management conduct periodic culture surveys and share the results (by department or business unit) with the board.