

HCCA - 2013 Annual Institute

University of Medicine and Dentistry of New Jersey (UMDNJ)

Compliance after Deferred Prosecution

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UMDNJ

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Everyone asks – What/Who is UMDNJ?

- The nation's largest (\$ 1.8 Billion) free-standing public health sciences university in the country with more than 6,000 students and 15,000 employees, including nearly 3,000 faculty members, located on 5 different campuses.
- It is a statewide network of eight schools on five campuses in Camden, New Brunswick/Piscataway, Newark, Scotch Plains and Stratford -- more than 200 education and healthcare affiliates throughout New Jersey.
- University Hospital and University Behavioral Health are inpatient facilities which are a component of 9 organizations which encompass UMDNJ's healthcare facilities.

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Schools at UMDNJ

- New Jersey Dental School
- New Jersey Medical School
- Robert Wood Johnson Medical School
- School of Osteopathic Medicine
- School of Public Health
- School of Health Related Professions
- Graduate School of Biomedical Sciences
- School of Nursing

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What/Who is UMDNJ?

Physician Organizations

NJMS Faculty Practice
RWJ University Medical Group
The University Doctors – School of Osteopathic Medicine
Center for Dental and Oral Health

Healthcare

The University Hospital
The Cancer Institute of NJ
Clinical Research Organization
University Behavioral Healthcare
New Jersey Correctional Healthcare
NJMS/University Hospital Cancer Center
Broadway House

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The opinions expressed during this presentation are not of the University of Medicine and Dentistry of New Jersey nor the State of New Jersey, rather my own viewpoints.

■ Bret S. Bissey

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UMDNJ's Compliance History


■ Many events

■ Very Public


■ Tough to recover from this "branding"

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UMDNJ SCANDAL




CAST OF CHARACTERS




Herb Stern
Federal monitor appointed to oversee UMDNJ.




Christopher Christie
U.S. attorney in charge of the UMDNJ case.



John Pettilo
President of the embattled UMDNJ.



Richard Codey
Served as New Jersey governor as the scandal unfolded in 2005.



Jon Corzine
Senator as the scandal unfolded, he takes office as governor amid the scandal at UMDNJ.

Hospital in crisis
The Star-Ledger's recent coverage of fraud and other investigations at UMDNJ

- Can UMDNJ recover from the scandal? Talk in the Just Jersey Forum.

THE STAR-LEDGER

- Shake-up, pink slips at UMDNJ
- UMDNJ execs probed on sweetheart lease
- Legislator drawn into the scandal at UMDNJ
- Clues point to new fraud at UMDNJ
- School delays paying Pettilo's severance
- Layoffs looming at University Hospital
- UMDNJ paid \$69,000 for official's limos
- Pettilo forced out as UMDNJ president
- UMDNJ revokes officials' car perks
- Monitor spreads wide net at UMDNJ
- UMDNJ set to give feds financial control
- Letter details UMDNJ bid to foil probe
- Healing, learning go on despite scandal
- Former judge to monitor finances
- Probed ex-officials got hefty severances
- With attorney's exit, a star is done
- Codey fears cost will be 'tens of millions'
- Tough ultimatum gives reason for hope
- A powerful snare, with an escape
- Feds deliver ultimatum to UMDNJ
- Trustees' visitor lays down the law
- Two UMDNJ officials resign from board
- Editorial: UMDNJ's doubtful billing
- UMDNJ in jam over Medicare billings
- UMDNJ ignored years of warnings
- University Hospital fiscal chief quits

Questions about History ?

Everyone has questions...

Deferred Prosecution Agreement

Corporate Integrity Agreement

- The CIA is a result of the problems that were discovered at the University several years ago and led to the Deferred Prosecution Agreement (2006 – 2008) and the federal monitor.
- Many employees required to complete approximately one hour of training annually to ensure an understanding of the CIA and of our compliance programs. Other employees will be required to complete additional training, up to five hours annually, such as those employees whose responsibilities involve coding and submission of healthcare claims, documentation of medical records and the submission and preparation of cost reports and contracts.
- 7 elements plus other requirements
- Penalties for non compliance - draconian
- The CIA agreement covers a period of five years.



Corporate Integrity Agreement

Corporate Integrity Agreement ("CIA")

- On 9/25/2009 UMDNJ entered into a Corporate integrity Agreement ("CIA") with the Office of Inspector General of the U.S. Department of Health and Human Services (DHHS).
- I'd suggest you review this if you are having difficulty "selling" your compliance program elements



UMDNJ - December, 2010

- Very compliant focused
 - Significant turnover of Compliance Leadership prior
- 34 budgeted positions for compliance and ethics led by Senior Vice President, Chief Ethics and Compliance Officer
 - Member of President's Cabinet
 - Total unfiltered access to Board
- \$3.2 Million annual budget in compliance
- Significant compliance efforts

By 2012

- Investigations Department (in place since DPA) is added to compliance
 - Staff of 6
 - Including former federal investigators
 - Very helpful to performed "root cause analysis" activities
- Addition of enhanced Privacy Management oversight
- Maturity of Compliance and Ethics Activities
- Also have significant NJ State Ethics Requirements
- Always opportunity for improvement

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How the a current powerful politician refers to UMDNJ

"C. of. C."

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**SIGNIFICANT BOARD
ENGAGEMENT**

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Audit Committee

- Trustees State Appointed
- Scheduled monthly meetings
- Detailed review of all audits
 - Compliance, Internal Audit, Privacy and Investigations
 - Other Senior Leaders participate
- Very interactive meetings

- They oversee the compliance and audit program

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Audit Committee CIA Responsibilities P 5 & 6 of CIA

- Review and Oversee UMDNJ Compliance Program
 - Performance of Compliance Officer and Compliance Committee
- Years 1-5 - Arrange for review of Effectiveness of Compliance Program
- Years 1-5 – adopt a resolution, signed by each member of the Audit Committee, summarizing its review and oversight of UMDNJ's compliance with the requirements of the Federal Healthcare Programs and the obligations of the CIA.

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Reportable Event

1. *Definition of Reportable Event.* For purposes of this CIA, a "Reportable Event" means anything that involves:

- a. a substantial Overpayment;
- b. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized; or
- c. the filing of a bankruptcy petition by UMDNJ.

A Reportable Event may be the result of an isolated event or a series of occurrences.

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Our Approach to Defining a Reportable Event

- If it is even close, we call it a Reportable Event and act appropriately
- We began this approach in 2010
- It has worked very well
 - Several examples
 - Positive relationship with OIG
- Penalties are draconian if we miss!

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Corporate Integrity Agreement

- The CIA requires continuance of UMDNJ's Compliance Program throughout the 5 year term of the agreement.
- Elements of UMDNJ's Compliance Program include:
 - A Compliance Officer, Compliance Committee, and an Audit Committee of the Board of Trustees
 - Independence of Compliance Officer – can not report to Legal or Finance
 - Written standards including our Code of Conduct and policies and procedures for compliance
 - Compliance training and education



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Corporate Integrity Agreement

- Elements of UMDNJ's Compliance Program include (continued):
 - A process to receive complaints of suspected compliance violations including procedures to protect:
 - The anonymity of complainants (as appropriate)
 - Complainants from retaliation
 - A system for responding to allegations of improper/illegal activities and the enforcement of appropriate disciplinary action for violations of:
 - UMDNJ's compliance policies
 - Applicable statutes, regulations or Federal health care program requirements
 - The use of audits and/or other evaluation techniques to monitor compliance to assist in the reduction of identified problem areas
 - Investigation and remediation of identified problems which may include the development of additional policies



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CIA - "Arrangements"

- CIA specifically addresses "arrangements". Due to past actions
- "Arrangements" include every agreement, arrangement or transaction that:
 - Directly or indirectly involves the offer, payment, solicitation, or receipt of anything of value between:
 - UMDNJ and any actual or potential source of health care business or referrals
 - Any actual or potential source of health care business or referrals from UMDNJ
- "Source of health care business" means any physician, contractor, vendor or agent.
- "Health care business or referrals" includes referring, recommending, arranging for, ordering, leasing, or purchasing of any good, facility, item, or service for which payment may be made by a Federal health care program.



CIA – "Arrangements"

- For all new or renewed Arrangements, UMDNJ must:
 - In writing and signed by UMDNJ and the other parties to the Arrangement and that the Arrangement is tracked in the Arrangements Database
 - All individuals who are party to the Agreement must comply with UMDNJ's Compliance Program
 - Each party to the Arrangement receives a copy of its Code of Conduct and Stark Law and Anti-Kickback Statute policies and procedures
 - Include in the written Arrangement a certification by the parties that they will not violate the Anti-Kickback Statute or the Stark Law with respect to the performance of the Arrangement



Corporate Integrity Agreement

- UMDNJ's CIA also requires:
 - The engagement of one or more Independent Review Organizations to perform the following reviews:
 - Assess how UMDNJ is doing in compliance with the CIA Arrangements obligations
 - Assess and evaluate UMDNJ's coding, billing and claims submission to the Federal health care programs and the reimbursement received (must repay any overpayments identified within 30 days)
 - Focused Arrangements
 - Results have improved from year 1
 - Opportunities identified for improvement
 - Engaged our own internal audit of process



Corporate Integrity Agreement

- UMDNJ's CIA also requires:
- The Board annually engages an outside consultant to perform a compliance effectiveness review.
 - Very positive results in first 3 years
 - Very time consuming...

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CHANGE IS... “ALL GOOD!”

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New Jersey Medical and Health Sciences Education Restructuring Act

Introduced in July 2012

Implemented by July 1, 2013

- **Rutgers** will acquire all UMDNJ assets and debts with the exception of the University Hospital (Newark) and the School of Osteopathic Medicine (Stratford).
- The School of Osteopathic Medicine will transfer to **Rowan University**.
- University Hospital an entity of the State of New Jersey

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**CORPORATE INTEGRITY
AGREEMENT IMPLICATIONS**

**COMPLIANCE PROGRAM
IMPLICATIONS**

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Did past non-compliance behavior have an impact on the decision to integrate UMDNJ into Rutgers and Rowan??

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What will the Compliance Program look like at these institutions in July, 2015??

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Questions?

Thank you.

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Speaker Contact Information

- Bret S. Bissey, *Senior Vice President, Chief Ethics & Compliance Officer*, University of Medicine & Dentistry of New Jersey, is a nationally recognized professional in healthcare compliance with over 16 years of compliance-related experience. He joined UMDNJ in December 2010 and is responsible for managing the compliance and ethics program (40 FTEs and budget in excess of \$5 million) of the largest public health sciences university in the United States to be in adherence with a rigorous 5-year corporate integrity agreement with the Department of Health and Human Services Office of Inspector General which followed a two-year period of Federal Monitor oversight.
- Bret is author of the *Compliance Officer's Handbook*, published in 2006, and has presented at 80+ industry conferences/meetings. Bissey was chief compliance & privacy officer at Deborah Heart and Lung Center for 9 years where he oversaw the successful adherence to the three-year (1999-2001) Corporate Integrity Agreement. Bissey is a Fellow of the American College of Healthcare Executives, the Health Care Compliance Association (Certified-CHC), Healthcare Financial Management Association and the Ethics Officer Association. He is a Past President (2001-2003) for Region 2 (NY, NJ, PR and U.S. Virgin Islands) of the Health Care Compliance Association.
- Bret has also been in several senior-level management positions with consulting companies, academic medical centers and in the clinical research industry.

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