Learning objectives

It is our goal today that each of you leave this session with an understanding of:

1. The importance of developing and effectively executing a compliance metrics program to better manage compliance programs, drive ownership of compliance throughout the organization and increase the success of the compliance professional and program

2. How to identify and design compliance metrics that are valuable, achievable, reasonable and measurable, covering each of the key core elements of your compliance program

3. How to build a sustainable, flexible and scalable compliance metrics program that is aligned with your compliance department goals and can evolve over time from measuring “Process” to measuring “Progress”
Outline

- Background on Deloitte and Baylor Scott & White Health
- Measurement and Data Analytics
- Strategic Planning and Metrics Program Goals
- Designing Metrics
- Sample Compliance Metrics
- Compliance Metric Maturity
- Dashboard Examples
- Communication and Reporting Results
- Metrics Sustainability

The largest not-for-profit health care system in Texas, and one of the largest in the United States, Baylor Scott & White Health was born from the 2013 combination of Baylor Health Care System and Scott & White Healthcare.

Baylor Scott & White: Our Numbers

- 48 hospitals
- 10.2 million patient encounters annually
- 6,000+ active physicians
- Nearly 5,000 locations
- $656 million in community benefit
- 900+ patient access points
- 40,000+ employees
- $9.7 billion in total assets
- $7.5 billion in total operating revenue
Measurement and Data Analytics in Health Care

Some areas currently being measured and analyzed in the industry (by your organizations, by your competitors…and by the regulators)

Information about
Cost
Clinical Quality
Information
Coding & Billing Information
Information about
Patients
Information about
Clinicians
Information about
Revenue and Payers
Information about
Cost

What about Measurement of Compliance Related Data?

Measurement and reporting of Compliance related metrics tends to lag the rest of the organization in its:

• Organizational / Strategic Relevance: “So What?”
• Usability: “Information vs. Data - there’s a difference”
• Timeliness: “Reactive vs. Proactive / Predictive”
• Availability: “Not collected or not shared”
• Accuracy: “Is it right?”

It doesn’t have to stay that way

While measurement and reporting of Compliance related metrics tends to lag the rest of the organization, by developing and effectively executing a compliance metrics program, your Compliance Department can:

• Better manage your compliance programs,
• Improve understanding and ownership of compliance throughout your organization,
• Increase the success and effectiveness of the compliance activities across each core element, and;
• Demonstrate the value of compliance efforts
Historically, compliance programs have been voluntary. Evidence of effectiveness has been subjective.

The Patient Protection and Affordable Care Act of 2010 mandates compliance programs for providers as a condition of enrollment in Medicare, Medicaid and the Children’s Health Insurance Program.

The Department of Health and Human Services will eventually issue regulations defining the elements of a mandatory compliance program.

If a compliance program will be mandatory, there will likely be a certification or attestation that all elements are in place and are working. CIA’s require this now.

Before attesting, CEO’s and Boards will want some empirical data that supports their attestation.

Metrics will not just be nice to have, but will be expected by leaders and the Board as evidence of the compliance program.

Where to begin?

Building and implementing a compliance metrics program doesn’t happen overnight. In order for your program to be successful and sustainable, it is important to:

- Establish Compliance Metrics Program Goals
- Obtain Organizational / Leadership Buy-In
- Identify Impactful Measurement Areas
- Design Metrics that Align with Program Goals
- Develop an Effective Communication Plan
- Build / Strengthen the Processes related to Data:
  - Collection
  - Validation
  - Analysis
  - Reporting
  - Response
  - Governance

Establishing Compliance Metrics Program Goals

Determining what you hope to accomplish with your Compliance Metrics Program is a critical first step.

For Baylor Scott & White Health (BSWH), this concept was born from a Strategic Planning process.
The BSWH Corporate Compliance program developed a Strategic Plan for the compliance program post-merger.

Aligned the Compliance Strategic Plan to the overall organization vision and strategy.

Documented how the compliance program supports the organization’s goals.

Embedded into the performance goals for the Corporate Compliance staff.

Corporate Compliance Strategic Planning Process

- **August 2014** - Defined a new vision and initial strategies to achieve that vision for Corporate Compliance.
- **September 2014** - Identified our customer as the BSWH Board of Trustees (and its Audit and Compliance Committee), evaluated the current state of Corporate Compliance functions and processes, and began to develop the future state.
- **October 2014** - Evaluated the organizational structure to align with the new vision and future state.
- **November 2014** - Completed the BSWH Corporate Compliance Strategic Plan 2020 and new organizational structure.
- **December 2014** - Presented the BSWH Corporate Compliance Strategic Plan 2020 to the BSWH Board of Trustees Audit and Compliance Committee.
- **January 2015** - Presented the BSWH Corporate Compliance Strategic Plan 2020 to the BSWH Operations Council and began sharing it with hospital Presidents and leaders. Completed job descriptions for new roles and submitted to HR Compensation.
- **February 2015** - Continued hospital leadership meetings throughout BSWH to share the new Corporate Compliance Strategic Plan 2020. New compliance positions created by HR.

Corporate Compliance Strategic Plan 2020

- Vision Statement
- Initial Strategies
- Strategic Initiatives
- New Organizational Structure
- Expected Benefits
Corporate Compliance
Vision Statement

To be a trusted partner in fostering integrity, transparency, accountability and a culture of compliance that protects the reputation, Mission, Vision and Values of Baylor Scott & White Health

Corporate Compliance
Initial Strategies

1. Provide regulatory guidance and education through open collaboration and communication

2. Develop and strengthen relationships that raise the visibility and engagement of compliance

3. Provide resources and tools that empower stakeholders to be active partners with compliance

Corporate Compliance
Strategic Initiatives

- Centralized and Regional Focus
- Dedicated Regional Compliance Directors
- Education and Marketing Focus
- Metrics and Scorecards by Entity
- Leadership Accountability and Incentives for Compliance
- Risk Based Operational Monitoring
- Conduct Ethical Culture Surveys
Strategic Plan Expected Benefits

A distinct outward facing regional compliance team will be dedicated to maximizing our involvement in local and regional operations.

This leads to trusted relationships with operational leaders to influence the culture of compliance for BSWH.

The structure is scalable for future growth by adding additional regional compliance staff as needed.

The structure will also benefit existing Compliance staff by allowing them greater access and engagement with operational leaders and providing them with more career path options via the regional compliance roles.

This Corporate Compliance Strategic Plan 2020, when realized, will place the BSWH Corporate Compliance Program in the top tier of compliance programs nationally to support the BSWH Vision 2020 to be one of the "Top 3" health care systems in the nation.

Obtaining Organizational / Leadership Buy-In

Without the agreement and active support of leadership and key organizational stakeholders, your Compliance Metrics program won't achieve its goals.

Key Considerations when obtaining buy-in:

- Who in the organization should be involved / engaged at which stages of the program development
- How to determine who should approve / contribute vs. who only needs to be informed of the resulting decisions
- How to involve, engage and empower members of your Compliance Department in the process
- How to engage other departments to leverage existing measurement capabilities and experiences
- How to convince key stakeholders of the value of the program (i.e. contribution to risk mitigation vs. incremental administrative burden)

Identifying Impactful Measurement Areas

Compliance metrics can be categorized by compliance focus areas and should be evaluated using 3 key factors.

<table>
<thead>
<tr>
<th>Training &amp; Education</th>
<th>Privacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metrics related to the completion of required compliance training and educational programs</td>
<td>Metrics related to the tracking and evaluation of the number and severity of breaches</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Audit &amp; Monitoring</th>
<th>Core Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metrics related to the Compliance Department's audit and monitoring activities</td>
<td>Metrics related to the activities performed by the centralized compliance function on behalf of the enterprise</td>
</tr>
</tbody>
</table>
When evaluating potential metrics for consideration, you may consider using the following criteria:

<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicability</td>
<td>- Corporate Compliance – Metrics which evaluate the performance of the Corporate Compliance Department&lt;br&gt;- Facility Compliance – Metrics which serve to evaluate Facility or employee level compliance&lt;br&gt;- Local Leadership Accountability – Metrics which can be directly impacted by facility presidents and therefore may be used for potential inclusion in the Annual Incentive Program</td>
</tr>
<tr>
<td>Measurability</td>
<td>- Currently Measured – The metric can be calculated using current data and reporting capabilities&lt;br&gt;- Currently Able to Measure – The reporting capabilities needed to calculate the metric currently exist&lt;br&gt;- Required Data Available – The data elements needed to calculate the metric are currently available in a structured format that can be used for reporting</td>
</tr>
<tr>
<td>Viability</td>
<td>- Existing Education / Training – The metric is evaluated based on existing education and/or training&lt;br&gt;- Existing Policy or Standardized Process – The requirement outlined in the metric is driven by existing policy or standardized processes and makes metrics comparable across the organization&lt;br&gt;- Existing Auditing / Monitoring – Auditing and monitoring processes currently provide the data necessary to calculate the metric</td>
</tr>
</tbody>
</table>

Each of the compliance metrics can also be assigned to one of three groups: Department Level, Entity Level or Individual Owner Level.

<table>
<thead>
<tr>
<th>Metric Grouping</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Level</td>
<td>Metrics which evaluate the performance of the Compliance Department</td>
</tr>
<tr>
<td>Entity Level</td>
<td>Metrics which evaluate the performance of individual entities (i.e. hospitals or clinics) compared to Compliance Department expectations</td>
</tr>
<tr>
<td>Individual Owner Level</td>
<td>Metrics which are specific to an entity, and over time, have the capability to be linked to the performance management process and potentially connected to the Annual Incentive Program</td>
</tr>
</tbody>
</table>

Sample compliance metrics

The list below represents some sample metrics which may be considered for inclusion in a Compliance Metrics program:

**Privacy**

- Number of breaches at a given facility or region categorized by low and high risk criteria
- Number of privacy incidents reported per facility, clinic or region by full time equivalent (FTE)
- Results of annual privacy auditing and monitoring efforts against the targeted threshold
Sample compliance metrics (continued)
The list below represents some sample metrics which may be considered for
inclusion in a Compliance Metrics program

**Auditing and Monitoring**
- Completion and submission of a periodic compliance representation
  within the specified timeframe
- Development and percent completion of a location specific
  compliance plan
- Number of remediation activities associated with high risk
  observations identified during auditing and monitoring activities which
  have exceeded the targeted completion date by a specified period of
  time
- Results of annual “Common Audits” against the target threshold

**Training and Education**
- The percentage of employees who complete the annual compliance
  training requirements within the specified timeframe
- The percentage of employees that receive and acknowledge HIPAA
  Privacy compliance education and training within the specified
  timeframe
- Percentage of employees who receive specialized training according
  to the compliance education plan within the specified timeframe

**Core Operations**
- The percentage of employees who acknowledge receipt of the Code
  of Conduct within the specified timeframe
- The number (and nature) of Hotline calls received by Compliance
  within a specified time period
- The number of Hotline calls categorized by impact (high, medium,
  low) and status (open / closed). If open, an aging method may be
  used to identify slippage based on prescriptive standards (i.e. 1 week
  for high, one month for medium, etc.)
Sample compliance metrics (continued)
The list below represents some sample metrics which may be considered for inclusion in a Compliance Metrics program

**Core Operations**

- The monthly exclusion check has been completed within the specified timeframe.
- The number of exceptions identified during the previous monthly exclusion check which have not been investigated by the next monthly exclusion check (rollover).
- The percentage of employees who complete the conflict of interest disclosure statement annually within the specified timeframe.
- The number of employees who reported a “high risk” conflict of interest who have not accepted and acknowledged the management action plan related to their disclosed conflict of interest within the specified timeframe.

What Other Metrics

1. Are you collecting and reporting?
2. Heard others are collecting or reporting?
3. Would like to collect or report if you could?

Evolution of Compliance Metric Maturity: Example of Phases and Associated Dependencies

In order for the implementation of the compliance metrics to be successful and sustainable, they may need to be rolled out in a phased approach. The following graphic explains the high level timeline and the high level description of the required infrastructure.
Compliance Index and Dashboard

As the proposed compliance metrics mature to the point where baselines are established and requirements and criteria are vetted, a “Compliance Index” and associated results Dashboard can be developed that would provide an all-encompassing assessment of a given location’s performance against the various metrics. It is expected that the Compliance Index will evolve over a 3-5 year period of time and should not be used as a gauge of compliance performance or linked to performance management until it has fully matured.

The Compliance Index would aggregate performance across various metrics into a score or rating. Specific metrics could be weighted based on their importance via a scoring system.

Dashboard Examples
Compliance Metric Maturity: The Path to Accountability

One of the long-term benefits of a Compliance Metric Program may be the increased awareness and accountability of Compliance outcomes at the entity level. This may be accomplished by linking select compliance metrics with the performance management process and perhaps even eventually to compensation/bonus eligibility. It is important to understand and accept the possibility that this plan evolves over multiple years.

**Target**

- Preliminary threshold set based on historical knowledge and presumptive estimation that will be used to gauge performance early in the lifecycle of the metric.
- Results not shared outside of Compliance until definitions, criteria, and collection processes are agreed upon and standardized.

**Expectation**

- Metrics refined as data management capabilities and integration of system operations mature
- Threshold set for each metric based on historical performance and departmental goals
- Results shared by Compliance Department, shared with the owners only
- Results not linked to performance management process or AIP eligibility

**Requirement**

- Threshold set for each metric based on current performance and departmental goals
- Thresholds communicated as performance goals
- Results shared with both individual owners and leadership
- For select measures, results will be tied to performance management process or AIP eligibility
Developing an Effective Communication Plan

Effective communication, before and during the development and implementation of your Compliance metrics program is essential.

Key Considerations when developing a communication plan:

- **What should be communicated and how should it be communicated?**
  - Program Overview / Objectives
  - Introduction of the Program to the Organization

- **Program Specific / Requirements**
  - Who will be measured
  - What will be measured
  - How will it be measured
  - What will be reported
  - How will it be reported
  - When / how frequent will measurement occur
  - When / how frequent will reporting occur

- **Instructions for all involved in data:**
  - Collection
  - Validation
  - Analysis
  - Reporting

Lessons Learned from Other Metrics Initiatives

- **Don’t rush in - set a realistic time table**
- **Start small: Early successes earn trust for continuous growth and increased ownership**
- **Communicate, Communicate, Communicate**
- **Obtain buy-in, but don’t let progress be paralyzed by consensus**
- **Make sure metrics are achievable, but not too watered down**
- **Leverage existing tools and technology capabilities and existing management reporting formats**

Reporting Results: Compliance Index and Dashboard Development

Key Considerations when evaluating how to analyze and report Compliance metric results.

<table>
<thead>
<tr>
<th>1. Software Selection Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Gain understanding of desired dashboard end-state &amp; functionality through interviews with key stakeholders</td>
</tr>
<tr>
<td>- Identify and inventory data systems needed for compliance dashboard</td>
</tr>
<tr>
<td>- Research &amp; compare pricing &amp; capabilities of software choices and explore existing options</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Develop Methodology for Overall Compliance Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Develop a performance scale and weight for metrics through interviews with key stakeholders</td>
</tr>
<tr>
<td>- Identify &amp; categorize population of entities for inclusion in dashboard</td>
</tr>
<tr>
<td>- Develop approach to quantify qualitative metrics</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Visualization Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Determine desired dashboard design through interviews with key stakeholders</td>
</tr>
<tr>
<td>- Update &amp; refine dashboard design, as necessary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Infrastructure setup</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Process, clean and validate data</td>
</tr>
<tr>
<td>- Identify need for, and develop extra dashboards, as appropriate</td>
</tr>
<tr>
<td>- Incorporate external data &amp; IT in dashboard, as necessary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Create Dashboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Prepare &amp; organize data for dashboard</td>
</tr>
<tr>
<td>- Execute the dashboard build</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6. Develop training and user guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Develop training content &amp; deck</td>
</tr>
<tr>
<td>- Create user guide</td>
</tr>
</tbody>
</table>
Compliance Effectiveness Survey – Baseline Data

Some organizations feel that a compliance / ethics assessment helps to establish a baseline of the employee population’s:

- Awareness of the compliance department’s purpose, structure, roles and responsibilities
- Understanding of compliance policies, protocols and their individual responsibilities related to compliance,
- Appreciation for the impact of non-compliance for the individual and for the organization, and;
- Perceived value of the services provided by the Compliance Department.

Key Considerations when designing the survey:

- Survey goals and objectives
- Participants
- Focus areas
- Specific questions
- Delivery mechanism
- Results analysis / evaluation process
- Results distribution list

Compliance Department Metrics Committee: Sample Structure

Designing new, or leveraging existing compliance department structure to create a compliance metric committee is a key ingredient to a successful Metrics Program.

Example:

- Regularly scheduled meetings (bi-monthly / quarterly)
- Chaired by the Chief Compliance Officer
- Sub-committees, each responsible for the collection, analysis and summarization of metrics results for their respective focus areas.
- Respective chairs of the sub-committees will report out to the group the summarization of related metrics and progress / activity related to their annual goals and objectives.

The Innovation and Collaboration sub-committee will be responsible for supporting the metric maturity efforts for each of the other 4 areas through technology standardization, reporting enhancement, data management and general troubleshooting.

Additionally, the Innovation and Collaboration sub-committee will be responsible for facilitating structured, periodic touch points with other health system departments (i.e. Quality, HIM, etc.) in order to share information that would benefit either or both stakeholders, help to identify data relationships and trends and promote cross departmental learning related to use of analytics to improve organizational performance.
Please Ask Questions

Contact Information

Ryan Haggerty, CIA
Senior Manager,
Deloitte & Touche LLP
rhaggerty@deloitte.com

Robert R. Michalski, CHC, CHPC, CHRC
Chief Compliance Officer
Baylor Scott & White Health
Robert.Michalski@BSWHealth.org