



Risk Assessments and Work Plans- Key Spokes in the Circle of Compliance

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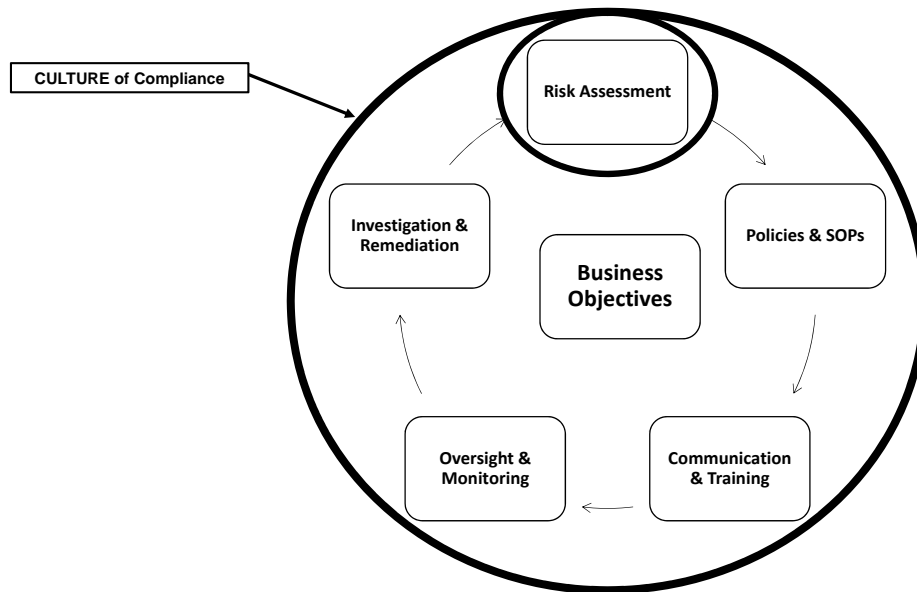
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Agenda

- **Why risk assessments are essential**
- **Sample approach to conducting a meaningful risk assessment**
- **Compiling and reporting results**
- **Developing remediation activities and Work Plan items to address risk assessment findings**

Compliance Life Cycle



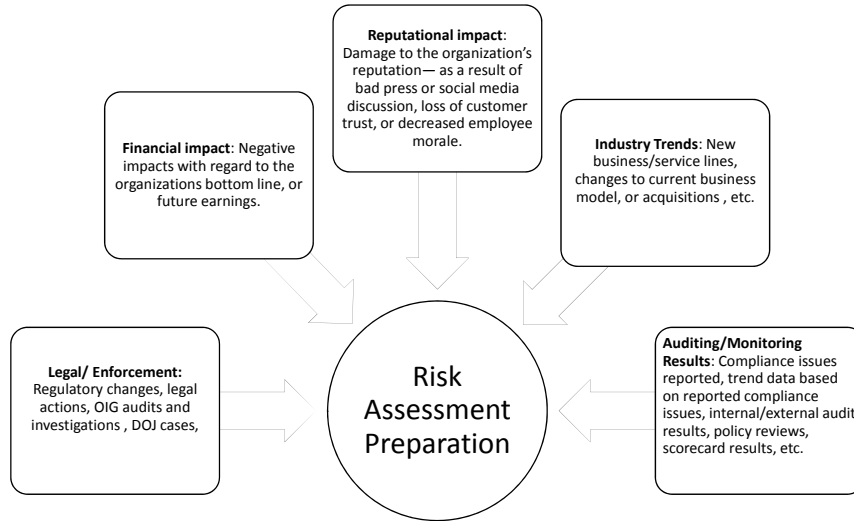
Risk Assessments and Work Plans—An Overview

Defined: A Risk Assessment is the identification and evaluation of potential risk within your organization. It involves the analysis of systems and processes against a benchmark, standard, law or regulation along with the determination of the level risk (high, low, or medium) associated with the activity.

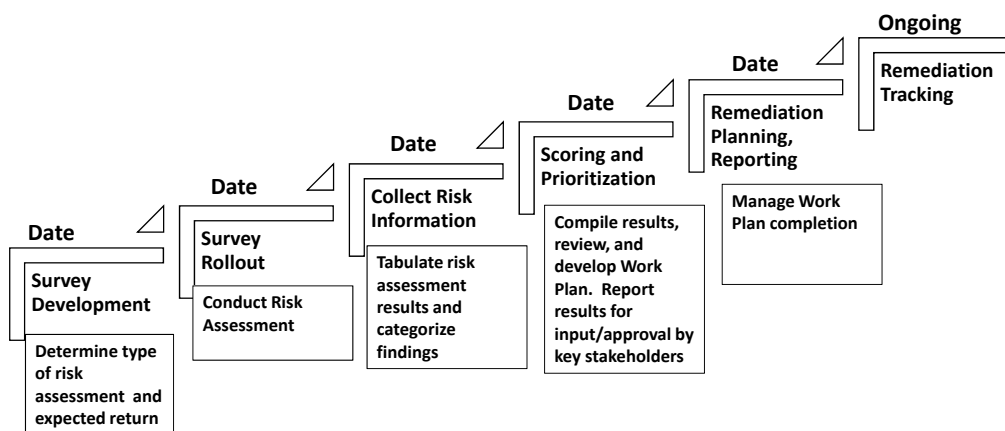
Work Plan: The purpose of a Work Plan is to address risk identified in the Risk Assessment process that created the greatest exposure to an organization. Components of the Work Plan include: clear description of the risk, identification of current controls and safeguards in place, assignment of accountability for remediation the risk, and due date for completion.

Reporting: An effective Work Plan must be communicated to all key stakeholders at the beginning of the process and with periodic updates on the status of the Work Plan. At a minimum it should include Senior Leadership and the Governing Body of the Organization. In addition the Work Plan is a useful tool in promoting compliance to others within the organization.

Risk Assessment Preparation



Risk Assessment Process: Sample Approach



Broad Based Risk Assessment Survey: Sample Approach

"Proactive" Risk Assessment

Survey to Define Risk Universe

Potential Participants:
Board
Senior Leadership
Department Directors
Staff

Questionnaire/Indicators

SURVEY QUESTIONS: (personal interviews or written survey)

1. Identify 5 potential compliance risks you see for your areas of operation and explain why.
2. Identify the top 3 (in rank order, 1 being the top priority) compliance risks for the organization. Explain why you chose these risks.
3. For each risk, do you feel current compliance safeguards (policies and procedures, etc.) are adequate to control risk?

SUPPORTING DATA INDICATORS:

Provide responders useful background material for consideration
Performance Data

Focused Risk Assessment: Sample Approach

"Reactive" Risk Assessment

Survey to Define Risk Universe

Potential Participants:
Department Directors
Staff

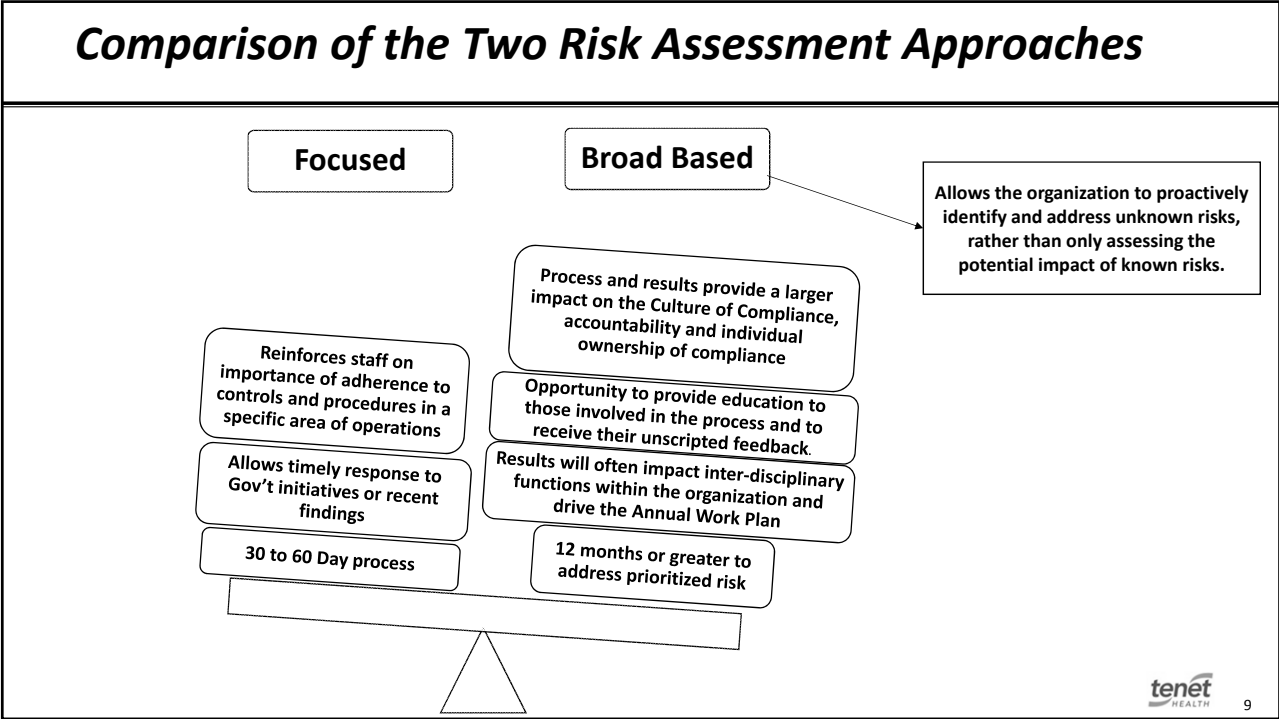
Process/Deliverables

SURVEY INSTRUCTIONS:

1. Process
 - Establish a work group made up of hospital staff that are involved in the charging, coding, or ordering of replacement medical devices for procedures performed on an O/P or I/P basis (i.e. Materials Management, Surgery staff: surgery supply managers and charge entry staff, coders). The goal of the work group is to review the current processes/controls in place at your hospital to ensure Medicare is billed correctly for Medical Device Replacements.
2. Deliverables:
 - 1) Flow chart of process/controls established for your hospital,
 - 2) documentation of the steps taken, findings, a summary of the controls in place to ensure compliance and any recommendations,
 - 3) Plans for ongoing monitoring to ensure compliance, and
 - 4) No chart reviews are required, unless necessary to understand the process at your hospital.

SUPPORTING MATERIALS:

Provide useful background material for consideration by the group. Examples: Medicare charges to date, Medicare rules and regulations, OIG audits, current related policies and procedures.



Sample Survey

COMPLIANCE RISK SURVEY

Directions → **SECTION 1: HOSPITAL RISK IDENTIFICATION**
 Select the five top Compliance risks for your facility. For each risk select the most significant contributing factor and identify the level of risk. You are also asked to provide an explanation (paragraph) outlining the reason for your selection i.e., why did you select this risk. Please be specific.

Risk Area	PRIMARY CONTRIBUTING FACTOR FOR RISK	LEVEL OF RISK	Explanation of Risk
Medication Management/Changing/Ordering Issues	Human Error	Elevated	To better understand the identified risk, please provide a description of the specific issue, process or concerns that caused you to identify the risk, including the root cause. Also provide rationale on Risk Ranking. (Free Text)

SECTION 2: ORGANIZATION RISK IDENTIFICATION
 Please identify the top three Compliance risks the organization currently faces. List the risks in ranking order with (3 being the lowest). For each risk state the level of risk and identify whether or not you believe sufficient safeguards have been implemented. You are also asked to provide an explanation (paragraph) outlining the reason for your selection. If you believe the current safeguard is insufficient, state why.

RISK AREA	LEVEL OF RISK	ARE THERE SUFFICIENT SAFEGUARDS?	Explanation of Risk
			To better understand the identified risk, please provide a description of the specific issue, process or concerns that caused you to identify the risk. Also provide rationale on Risk Ranking. If you feel the current safeguards are insufficient, state why. (Free Text)

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Summary of Key Data Points Resulting from the Survey

Data Points

Risk Area or Category assists in analyzing the overall survey results.

Primary Contributing Factors help to further understand the reason for the perceived risk.

Sufficient Safeguards identify if current safeguards are adequate.

Risk Level assessed as High or Elevated, Medium, Low or alternatively whether it Will Happen, Most Likely to Happen, Might Happen, Likely not to Happen.

Free Text Comments will contain a wealth of information that may generate additional categories for use in evaluating and tabulating the data.

Categorizing Free Text Data: Examples

Regulatory

- Medical Necessity
- Physician Management
- Provider Based Entities

Physician Management

- Credentialing
- Medical Staff Management
- Employed Physicians

Hospital Operations

- Policy Management
- New Service Lines
- Loaning Equipment

Survey Results by Category: Examples

Physician
Management
25%

Regulatory
19%

EMTALA
13%

Hospital
Operations
6%

HIPAA
5%

OIG Work Plan

Harnessing the Power of Excel Pivot Tables: An Example

Snapshot of Results					
Sample Data					
Category	Elevated	Medium	Low	Total	% of Total
Physician Management	45	78	40	163	25.2%
Regulatory	17	56	52	125	19.3%
EMTALA	11	46	27	84	13.0%
Hospital Operations	2	16	21	39	6.0%
HIPAA	5	24	3	32	4.9%

Work Plan Design: Sample Approach

Regulatory

- Design training for leadership on how to have difficult conversations with physician from a legal, compliance and regulatory perspective **Physician Relationships**
- Evaluate the "Site Neutral Payment" Final Rules impact on provider based entities **Provider Based Entities**
- Review processes used to determine medical necessity for inpatient status and O/P procedures **Medical Necessity**

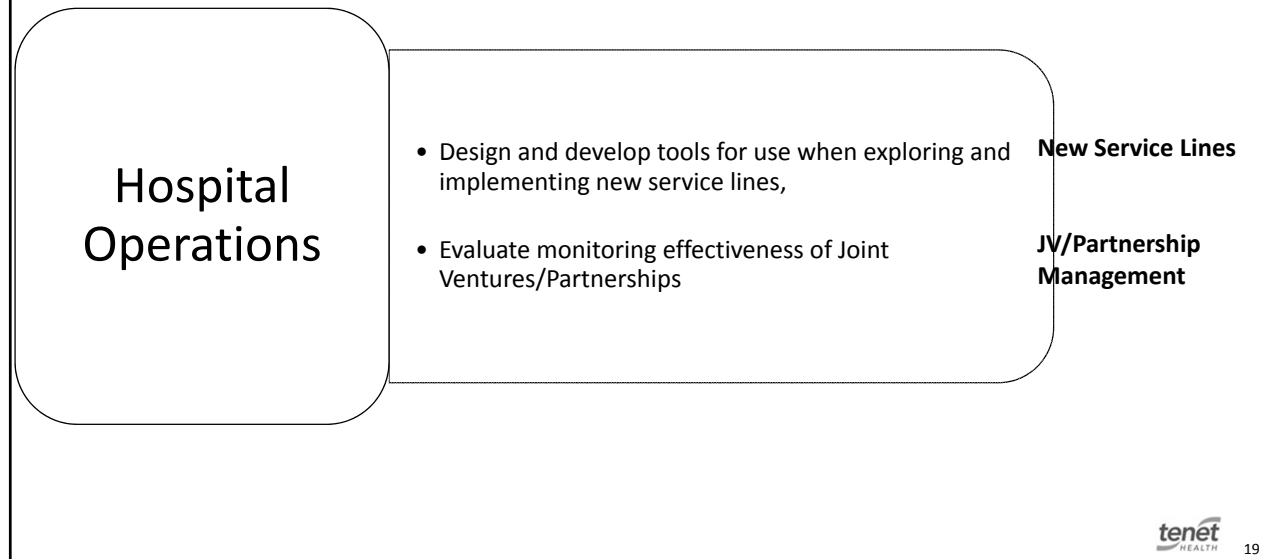
Work Plan Design: Sample Approach

Hospital Operations

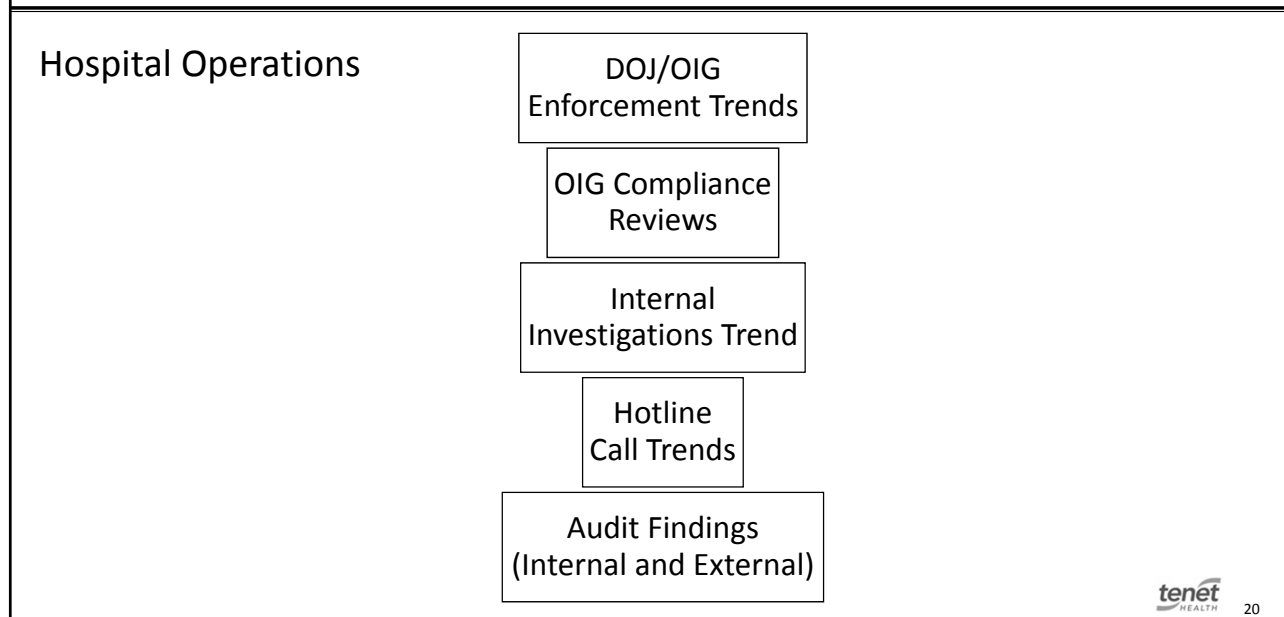
Core Focus Areas

New Service Lines
Joint Venture/Partnership Management

Work Plan Design: Sample Approach



Work Plan Design: Additional Risk Considerations



Work Plan Monitoring: Sample Approach

Hospital Operations

2017 Work Plan					
Focus Area	Description	Current Risk Mitigation	Action Items	Focus Area Leader(s)	Due Date
Hospital					
Regulatory					
	Design training for leadership on how to have difficult conversations with physician from a legal, compliance and regulatory perspective				
	Evaluate the "Site Neutral Payment" Finals Rules impact on provider based entities				
	Review processes used to determine medical necessity for inpatient status and O/P procedures				
Hospital Operatiod					
	Design and develop tools for use when exploring and implementing new service lines				
	Evaluate monitoring effectiveness of Joint Ventures/Partnerships				



Questions?



RL14



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Slide 23

RL14 We should add a slide for Questions?

Range, Laura, 2/14/2017