Moving Your Compliance Program from Check the Box to Strategy

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Help us evaluate our compliance program. What do we need to do to be successful?

➢ What is the strategy for your Compliance Program?
Help us evaluate our compliance program. What do we need to do to be successful?

- Your Compliance Program budget is $xxx.xx. What are you hoping to accomplish by spending the budgeted funds?

- You’ve been asked to explain your compliance officer’s role to him/her in three sentences or less. What will you tell the compliance officer?

How did they answer?

- I don’t know
- No one has ever asked us to think about compliance in that way
- Make sure we are “in compliance”
- Keep me out of jail
<table>
<thead>
<tr>
<th>Vision</th>
<th>Mission</th>
<th>Objectives</th>
<th>Strategies</th>
<th>Tactics</th>
<th>Action Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>The utopian dream (e.g., “quality healthcare experience for all”)</td>
<td>The “what,” “why,” (and “how”) (e.g., “To create access to quality health for the greater Gotham area by establishing a world class health system.”)</td>
<td>Measurable broad goals (e.g., “Make primary care available within 5 miles of every Gotham citizen.”)</td>
<td>What will be achieved (e.g., “increase primary physician coverage to levels above HRSA’s HPSA designation of 1:3500”)</td>
<td>How strategies will be achieved (e.g., “recruit 10 new primary care physicians”)</td>
<td>SPECIFICS: action steps, responsible parties, due dates, required resources, barriers, collaborators</td>
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What are the appropriate strategies for a compliance program?
What are the appropriate strategies for a healthcare compliance program?

- Stark & AKS
- Privacy & Security
- Revenue Cycle; Billing & Coding
How do you help your organization think differently? Some ideas:

- Create a crisis?
- Provide information about ALL of the issues?
- Bring in an expert!
- Send them to training!

HOW DO YOU HELP YOUR ORGANIZATION THINK DIFFERENTLY?
Some thoughts about a better approach
Thinking Differently: The Important Role of Leadership

“Culture is a shared set of attitudes, goals, behaviors and values that characterize a group. It is how things get done in a company, and it influences the entirety of the employee experience – and therefore the customer experience. . . . and the CEO must constantly observe and manage for the culture he wants.

. . .

In my opinion the most critical word in definition of culture is values. It is the CEO’s job to ensure that a company’s values are applied consistently from top to bottom, across all departments. No person or group can be exempt.”

The CEO Tightrope, How to Master the Balancing Act of a Successful CEO, Joel Trammel (2014)
Thinking Differently: Clear Assignment of Responsibility/Accountability

<table>
<thead>
<tr>
<th>Compliance Officer</th>
<th>Executive Compliance Committee</th>
<th>Board of Directors</th>
<th>Management</th>
<th>Legal Counsel</th>
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</thead>
<tbody>
<tr>
<td>Assuring Compliance</td>
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<tr>
<td>Managing Compliance Program</td>
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<tr>
<td>Implementing Compliance Program</td>
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<tr>
<td>Setting Tone and Culture</td>
<td></td>
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<tr>
<td>Setting Compliance Program Strategy</td>
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<tr>
<td>Providing Oversight</td>
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<td>Providing Resources</td>
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<tr>
<td>Conducting Investigations</td>
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<tr>
<td>Corrective Action Implementation</td>
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</table>

Thinking Differently: The Programmatic Nature of Compliance – Understanding the Elements as Part of a Unified Program

- Leadership
- Written standards
- Training & communication
- Auditing & monitoring
- Risk assessment
- Screening - personnel & business partners
- Reporting mechanism (e.g., hotline)
- Investigation & response
Thinking Differently: The Importance of Involving Leaders in the Risk Assessment and Work Plan Planning Process

- Understanding the risk environment
- External environment
- Knowing your organization
- Providing context to assist leaders in prioritizing identified risks
- Data is key
- Concrete measures matter!
- Workplan: Its not just an audit plan!!
- Target the controls environment

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### Risk Assessment Scoring Matrix

<table>
<thead>
<tr>
<th>Score</th>
<th>Impact to the Organization</th>
<th>Vulnerability</th>
<th>Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Little or no reputation risk</td>
<td>Loss is less than $1 million or expense (excluding fines/penalties)</td>
<td>Technical validation of role of organization leaders and the likelihood of occurrence.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Slight risk of occurrence in the next 12 months; high complexity and/or automated process with limited management oversight.</td>
<td>Periodically audited and tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established.</td>
</tr>
<tr>
<td>2</td>
<td>Slight reputation risk</td>
<td>Loss between $1 million and $5 million or expense (excluding fines/penalties)</td>
<td>Significant risk; likelihood of occurrence complex and/or automated process with limited management oversight.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High risk of occurrence within next 12 months; high complexity and/or automated process with limited management oversight.</td>
<td>Periodically audited and tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established.</td>
</tr>
<tr>
<td>3</td>
<td>Moderate reputation risk</td>
<td>Loss between $5 million and $10 million or expense (excluding fines/penalties)</td>
<td>Significant risk; likelihood of occurrence complex and/or automated process with limited management oversight.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High risk of occurrence within next 12 months; high complexity and/or automated process with limited management oversight.</td>
<td>Periodically audited and tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established.</td>
</tr>
<tr>
<td>4</td>
<td>Significant negative</td>
<td>Loss between $10 million and $25 million or expense (excluding fines/penalties)</td>
<td>Significant risk; likelihood of occurrence complex and/or automated process with limited management oversight.</td>
</tr>
<tr>
<td></td>
<td>reputation risk</td>
<td>High risk of occurrence within next 12 months; high complexity and/or automated process with limited management oversight.</td>
<td>Periodically audited and tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established.</td>
</tr>
<tr>
<td>5</td>
<td>Extensive and prolonged negative</td>
<td>Loss greater than $25 million or expense (excluding fines/penalties)</td>
<td>Extreme risk of occurrence. Likely to occur within next 12 months. Highly complex and/or automated process with limited management oversight. Extensive and prolonged negative fallout. Relies on extensive specialized skills.</td>
</tr>
</tbody>
</table>
Thinking Differently: DASHBOARDS
Establishing Targets, Measuring Achievements, Reporting and Creating Accountability

- Core Compliance Program Operations
  - training completion
  - policy review
  - average days to close an investigation
  - compliance audit plan performance
  - cost of investigations/audits

Thinking Differently: DASHBOARD
Establishing Targets, Measuring Achievements, Reporting and Creating Accountability

- Work Plan Focus Areas
  - physician contract renewals
  - appropriate admission orders
- Corrective Action Plan Implementation
  - implementation/completion by due date
- Connecting Compliance Metrics to Performance Evaluation and Compensation
Thinking Differently: Establishing Targets, Measuring Achievements, Reporting and Creating Accountability

What gets measured gets done

Thinking Differently: What Compliance Officers Should Understand

- Understand compliance risks from your leadership team’s perspective
- You are responsible for the compliance program – NOT for whether the organization is “in compliance”
- Perfection probably isn’t attainable
- Rome wasn’t built in a day
DISCUSSION/QUESTIONS