

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?



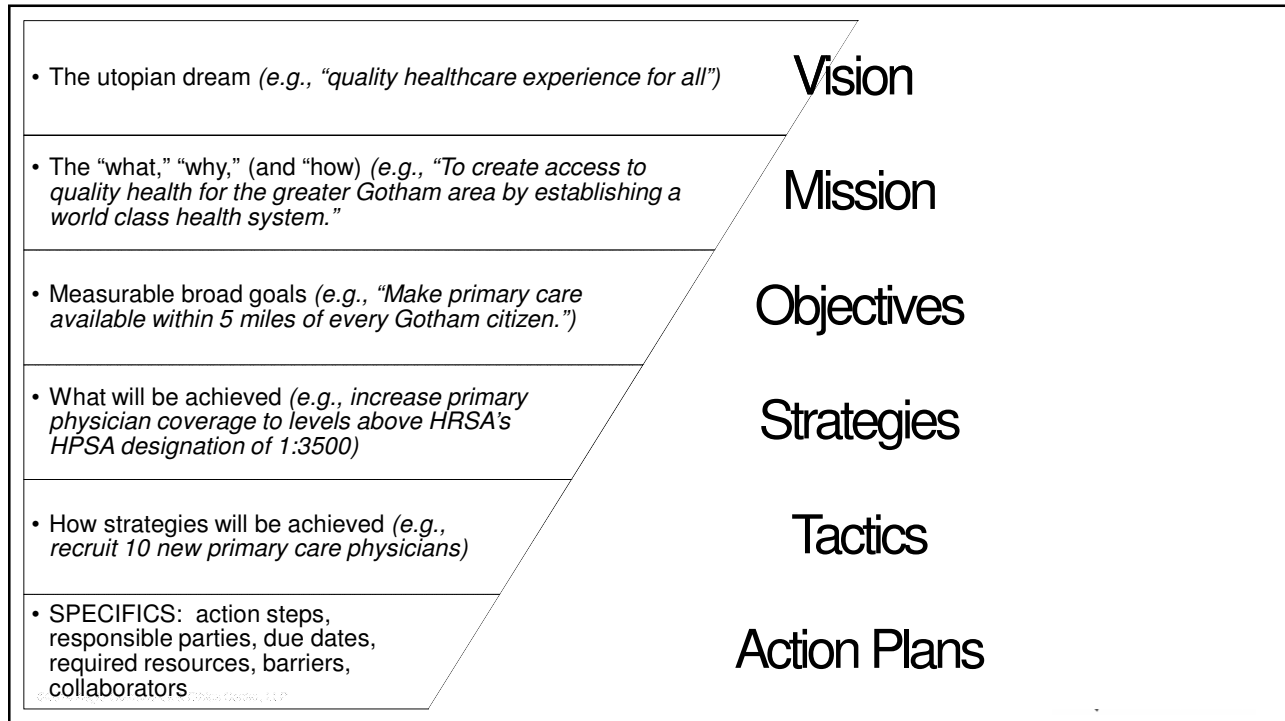
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How did they answer?

- 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



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What are the appropriate strategies for a compliance program?



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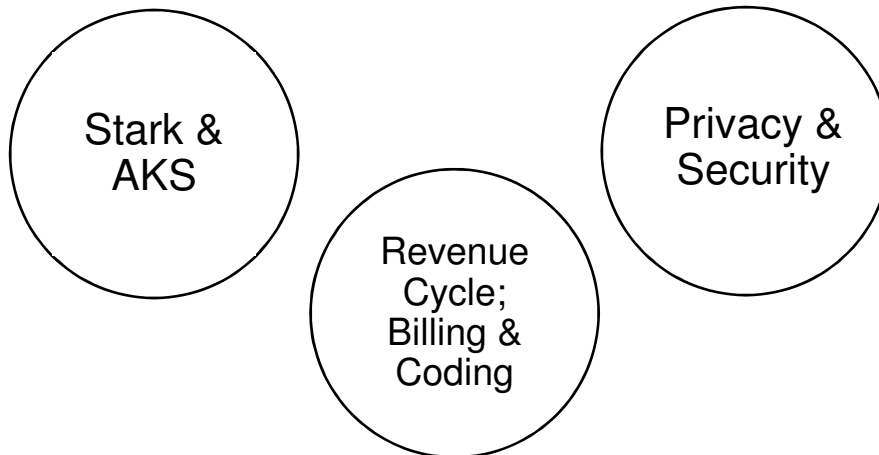
- Prevention
- Detection and Correction
- Defense



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What are the appropriate strategies for a healthcare compliance program?



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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!



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**HOW DO YOU HELP YOUR
ORGANIZATION THINK
DIFFERENTLY?**

**Some thoughts about a better
approach**



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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)

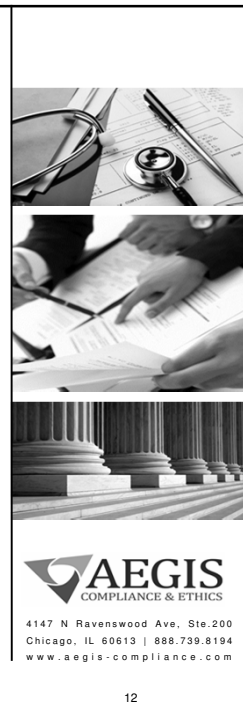
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Thinking Differently: The Importance of Leadership

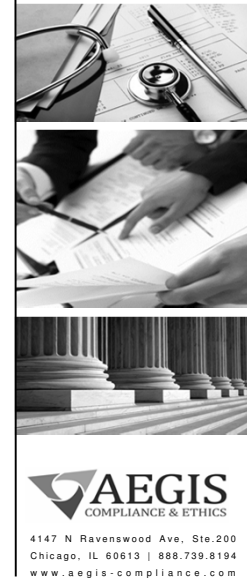
- Reporting & Working Relationships
- Board Oversight Committee
- The Executive Level Compliance Committee

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Thinking Differently: Clear Assignment of Responsibility/Accountability

	Compliance Officer	Executive Compliance Committee	Board of Directors	Management	Legal Counsel
Assuring Compliance					
Managing Compliance Program					
Implementing Compliance Program					
Setting Tone and Culture					
Setting Compliance Program Strategy					
Providing Oversight					
Providing Resources					
Conducting Investigations					
Corrective Action Implementation					



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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



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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

Score	Impact to the Organization			Vulnerability		Controls
	Reputation	Financial	Legal	Likelihood of Risk	Detectability	Controls
1	Little or no reputational risk	Loss is less than \$_____ of gross revenue or expense (excluding legal fines/penalties)	Technical violation of law or regulation. Little or no fine probable.	Low risk, unlikely to occur. Historical and industry experience show low likelihood of occurrence.	Failures are likely to be detected. Process is directly supervised. Automated safeguards for identifying variations/errors.	Internal and/or automated controls proven to be highly effective in mitigating all risk'
2	Slight reputational risk. Possible bad press but no significant patient, physician, constituent fallout.	Loss between \$_____ of gross revenue or expense	Civil fines and/or penalties up to \$_____ possible, but little risk of exclusion, CIA, loss of accreditation/licensure.	Slight risk, historical industry experience shows some likelihood however not experienced in organization to date; simple well understood process; competency demonstrated- less likely to fail	Slight risk that failure will not be detected - process failures; moderate safeguards in place; partially automated process with moderate management oversight	Routinely audited and/or tested. Performance metrics are established, routinely reviewed and show little variation. Current policies and procedures exist. Employee training and competency established. Well-prepared to manage this risk appropriately based on implemented risk management plans.
3	Moderate reputational risk. Probable bad press. Probable modest physician, patient and/or constituent fallout.	Loss between \$_____ of gross revenue or expense.	Civil fines and/or penalties up to \$_____ probable. Modest risk of exclusion, CIA possible.	Moderate risk of occurrence within next 12 months;	Moderate risk that failure will not be detected. Limited safeguards in place to identify failure prior to occurrence. Partially automated process with limited management oversight.	Periodically audited and/or tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established.
4	Significant negative press coverage. Significant patient, physician and/or constituent fallout.	Loss between \$_____ of gross revenue or expense.	Civil fines and/or penalties up to \$_____ probable. Loss of business unit licensure/ accreditation. Exclusion possible. CIA probable.	Significant risk; likelihood of occurrence complex and/or manual process	Significantly difficult to detect prior to failure; manual safeguards in place to identify failures; no automated processes; periodic management Oversight	Management Review and approval required. Process not audited or tested or infrequently audited or tested. Limited policy or procedure guidance.
5	Extensive and prolonged negative press coverage. Significant sponsor/board questions of management. Extensive patient, physician, and/or constituent fallout.	Loss greater than \$_____ of gross revenue or expense.	Criminal conviction and/or exclusion. Fines, penalties and or legal exposure in excess of 1% net revenue. CIA certain.	High risk of occurrence. Likely to occur in next 12 months. Highly complex process with numerous hand-offs. Relies on extensive specialized skills.	Extremely hard to detect prior to failure. Highly automated with little or no human intervention, oversight or control. No built-in safeguards, cross-checks, or other mechanisms to identify errors/failures prior to submission/completion.	No formal controls in place.

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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

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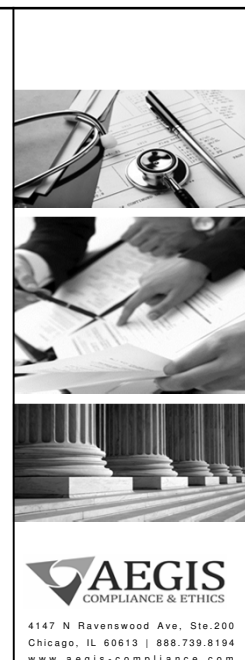


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Thinking Differently: DASHBOARD Establishing Targets, Measuring Achievements, Reporting and Creating Accountability

- 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

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

What gets measured gets done



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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

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DISCUSSION/QUESTIONS



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