

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?



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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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- The utopian dream (e.g., "quality healthcare experience for all")

Vision

- 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.")

Mission

- Measurable broad goals (e.g., "Make primary care available within 5 miles of every Gotham citizen.")

Objectives

- What will be achieved (e.g., "increase primary physician coverage to levels above HRSA's HPSA designation of 1:3500")

Strategies

- How strategies will be achieved (e.g., "recruit 10 new primary care physicians")

Tactics

- SPECIFICS: action steps, responsible parties, due dates, required resources, barriers, collaborators

Action Plans

What are the appropriate strategies for a compliance program?



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What are the appropriate strategies for a compliance program?

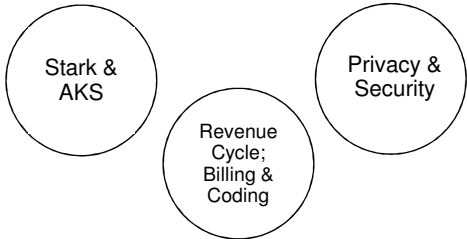
- Prevention
- Detection and Correction
- Defense



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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					




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



Risk Assessment Scoring Matrix

Impact to the Organization				Vulnerability of Risk		Controls
Score	Reputation	Financial	Legal	Likelihood of Risk	Detectability	Controls
1	Little or no reputational risk.	Loss is less than 5% of gross revenue or expense (excluding legal fees/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 detecting violations/errors.	Historical 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, or consultant fallout.	Loss between 5% and 10% of gross revenue or expense.	Civil fines and/or penalties up to \$5,000. Possible loss of exclusion, CIA, board, accreditation, licensure.	Slight risk. Historical industry experience shows events throughout organization (or other providers) are reported to regulatory agencies. Similar to other providers, compliance. Similar to other providers, likely to be.	Slight risk that failure will not be detected. Process failures, moderate safeguards in place, generally automated process with moderate management oversight.	Routinely audited and/or tested. Performance metrics are established, reviewed and process into work. Current policies and procedures exist. Employee training and competency established. Well-proven to manage this risk, appropriate based on implementer risk management plans.
3	Moderate reputational risk. Possible bad press. Possible moderate patient, physician, or consultant fallout.	Loss between 10% and 15% of gross revenue or expense.	Civil fines and/or penalties up to \$10,000. Possible loss of exclusion, board, accreditation, licensure.	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. Family administered process with limited management oversight.	Periodically audited and/or tested. Corrective action plans developed and tested for effectiveness. Limited performance metrics established.
4	Significant reputational risk. Possible bad press. Significant patient, physician, or consultant fallout.	Loss between 15% and 20% of gross revenue or expense.	Civil fines and/or penalties up to \$20,000. Possible loss of exclusion, board, accreditation, licensure, CIA, probable.	Significant risk, likelihood of occurrence within 6-12 months.	Significantly difficult to detect prior to failure. Regular safeguards in place to identify failure; 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	Extreme and prolonged negative press coverage. Significant patient, physician, or consultant fallout.	Loss greater than 20% of gross revenue or expense.	Criminal conviction and/or exclusion. Fines, penalties and/or high exclusion or loss of licensure, CIA, all or none.	High risk of occurrence. Likely to occur in next 12 months. Highly complex process with numerous stake-holders. Relies on extensive specialized skills.	Extremely hard to detect prior to failure. High, automated with 100% or 99.999% in safeguards, check checks, or other safeguards, to identify errors/failures prior to occurrence/compensate.	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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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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