

## About This Manual

This toolkit represents a composite of previously published articles, white papers and other documents, sample documents submitted by HCCA members (see contribution list) and some material created by the authors and editors. The goal of the toolkit is to provide you with information to establish or enhance your compliance auditing and monitoring efforts by allowing you to reference documents already created, tried and implemented by your peers in the profession. In this regard, your feedback and contributions are desired to ensure the continued positive evolution of the toolkit.

The manual was originally identified for update twice annually; however, in compiling this first update, the magnitude of the work effort was realized and the authors and editors decided that one annual update would prove to be both more manageable and thereby more qualitative for you, the users of the tools. Additionally, while future updates are expected to represent additions and/or replacements to material in your existing binders, this update is intended to replace the entire binder.

Your feedback was instrumental in creating this first update, for which the authors focused on improved organization, improved reference, and additional contributions. A “What’s New” section has also been added so that the benefits of updates are easily identifiable. To make these decisions, a broader net was cast over HCCA and other activities focused on compliance auditing and monitoring. Ultimately, the Seven Component Framework of Auditing and Monitoring developed by the AHIA/HCCA Auditing and Monitoring Focus Group efforts was chosen as the driver for the manual’s organization. This framework culminated from significant Focus Group member effort and was deemed to be the most logical existing document for organizing auditing and monitoring reference material. These changes resulted in the following organization and direction (and reflected in more detail in the Table of Contents):

<u>Section</u>	<u>Title</u>
	Contributor Listing
I.	Introduction
II.	What’s New
III.	Compliance Program Documents
IV.	Risk Assessment and Plan Development
V.	Laws and Regulations References
VI.	Policies and Procedures
VII.	Education and Re-Education
VIII.	Auditing and Monitoring Tools
IX.	Appendices

The framework and related AHIA/HCCA Compliance Auditing and Monitoring Focus Group published articles are included in Appendix A, as are other published references including “Auditing & Monitoring Practices for Effective Compliance” a legal primer about auditing and monitoring edited by John E. Steiner.

## **Auditing and Monitoring**

Is auditing and monitoring important to you?

We think so. From a needs analysis viewpoint, the auditing and monitoring components of a compliance program continue to present the most challenge for compliance officers based on HCCA's annual surveys. In fact, in the 8<sup>th</sup> Annual Survey, "2006 Profile of Healthcare Compliance Officers," 81 percent of the respondents rated the implementation of auditing and monitoring efforts as the goal they most hoped to achieve in the next three years (8 percent higher than the next goal they hope most to achieve, which was education and training). This appears indicative of two things: the natural maturation of a compliance program and the need to validate that compliance mechanisms are producing desired results.

The Seven Component Framework of Compliance Auditing and Monitoring was developed initially as a set of steps and then subsequently changed by the group to be a framework on the basis that the seven components work well as contiguous steps when a compliance program is first developed, but after that time, can be applied in essentially any order. This being said, the seven component framework is laid out as follows:

- Perform a risk assessment and determine the level of risk
- Understand laws and regulations
- Obtain and/or establish policies for specific issues and areas
- Educate on the policies and procedures and communicate awareness
- Monitor compliance with laws, regulations, and policies
- Audit the highest risk areas
- Re-educate staff on regulations and issues identified in the audit

Thus, monitoring, auditing and education come last in the original set of steps. So, the first reason for the current focus on the implementation of auditing and monitoring may be the mere evolution of compliance programs: maturity dictates the need for both the implementation of new and improvement of existing auditing and monitoring processes. The second reason we surmise is the need for more information on what makes effective auditing and monitoring processes.

Thus, resources like this toolkit help with the implementation of effective auditing and monitoring processes, thereby helping you address such needs.

Why does it matter?

How do you know your compliance program is effective? This is one question that has not yet been answered, at least not with any specificity or measurability. A variety of organizations, including HCCA, have attempted to develop effectiveness measures but

without conclusive success; and, CMS is now in the process of trying to help us answer that question.

Monitoring and auditing efforts help individual organizations answer this question. Without such processes, the best an organization can do is to recognize that it is trying to improve awareness of compliance. Thus, an organization must verify if the compliance program elements it has implemented are actually working. Monitoring efforts allow the individuals who are responsible for specific areas of implementation and control to obtain routine feedback on compliance. Auditing efforts provide organization boards and senior management with independent validation that compliance efforts are working.

The challenge is to use auditing and monitoring tools, and the results they produce, wisely. We hope this toolkit helps you make those wise choices.