Been There, Done That

Pros and Cons of Centralized and Decentralized Compliance Structure

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Caveats

This is for a Large Medical System
1. Academic Medical Centers
2. Large Private Health Systems or Hospitals
How We Got Here!

1996- Final Rules for Teaching Physicians

- P.A.T.H and $$$$$$
- Put Health Care Compliance on the radar screen!

H.I.P.A.A.

- Privacy and Security
History

1996- Professional Fee Compliance Office created

- 1 Health Care System lawyer
- 1 Secretary
- 1 Senior Associate Dean - vascular surgeon
  - Acted as Compliance Officer for Health System
- Knowledge that Penn has paid $30 million
- HCFA letter of intent to audit
- And Me- a practicing anesthesiology professor
History

1996

- Wrote a Plan for Pro Fee with legal help from outside attorneys-
- Used Federal Sentencing Guidelines
- Created the first Compliance Structure for our system
  - Designated Officer
  - Designated Reporting Structure
History

1997-99

- Developed and wrote Facility Compliance Plan
- Senior Associated Dean- moves to C.O.O. position-
  - Pro Fee Officer assumed Health System Compliance Officer role
  - Designated Associate Compliance Officer as the Facility Compliance Officer
  - Reported to HS Compliance Officer
1997-99

Consolidation of Compliance Entities

- Many committees in hospital system working on "compliance issue"
- Brought them under one umbrella of compliance
- Called it Facility or Corporate Compliance
1999

Executive V.P. for Medical Affairs

- Position created and filled
- Moved the Compliance Office to EVPMA office floor with visible signage
- Direct reporting to EVPMA monthly for Pro Fee and Facility
  - And so structure looked like this
1999

Salad Days of Compliance

- Centralized reporting
- Quarterly reports to FGP for Pro Fee
- Medical School- Only interested in research compliance
- Then came…….
H.I.P.A.A.

Organization

- No organization was ready for either Privacy or Security
- Tried to make H.I.P.A.A. the domain of Compliance
  - Keeping the same structure and reporting
- Again Centralized reporting but
  - Many committees began working a HIPAA and not talking to each other and so we reorganized and farmed out HIPAA, Privacy and Security
2002- Decentralization

H.I.P.A.A. Implementation Committee formed by Medical School Dean and Hospital

- Split out Professional Fee and Facility
  - Separate Reporting to FGP and EVPMA
  - Other Compliance Entities now reported individually to Facility Committee
- Lose sight of the “minor compliance groups” back to square one
Comparisons

Cost
Policies
Resource Utilization
People
Leadership
Communication
Centralized Compliance—Pros

COST—less $$$$  
- Cheaper—depending on the size of your organization and the ability to hire a triple threat compliance person  
- Current employees have and were assigned dual jobs
Centralized Compliance-Cons

COST- potential big $$$$ 

- May not be able to develop the expertise in all areas of regulatory health care
- Leads to oversights in some areas because of the need to focus on the big stuff.
  - C.O.Ps for example
Centralized Compliance- Pros

Policies

- Consistency in language and structure
- Similar goals, education, training procedures
- Avoids duplication of work
- Changes or decisions are made by a central authority.
Centralized Compliance-Cons

Policies

- Must be sure that policy and procedures are entity/department/campus specific.
  - You will leave something (important) out
- Decisions or changes may take longer to implement if you want to have a consensus buy in from all groups
  - Don’t put it up to a vote
Centralized Compliance- Pros

Resource Utilization

- People can be shared
- Equipment can be shared
- Travel budgets much less as fewer people have to go to “important” conferences
- Budgetary control- definitely better
Centralized Compliance-Pros

People

- More well rounded employees
  - Eventually they will know a lot about a lot of compliance areas.
  - Must be given the time to develop this expertise
- Avoids the problems of ‘Parity issues’ of job descriptions.
- Avoids competition of personnel for resources
Centralized Compliance—Pros

Communications
- Central source of messages
- Central Training

Institutional Buy-in
- Easier for senior leadership to buy-into one central site.
Centralized Compliance- Cons

People

- Ownership- Central officer has so many areas to cover that oversights do occur
  - But may be able to explain it away by saying that there is too much to cover
- Initially the learning curve is very steep and may injure your institution during the learning process
Centralized Compliance- Cons

Leadership

- Relies on an incredibly effective leader.
- Must be a champion of Compliance
  - You have to believe in what you are doing
Decentralized Compliance - Pros

Ownership of process

- Accountability
Decentralized Compliance Cons

- Inconsistency in implementation across institution
- Too many decision makers
  - People shop for answers
- Increased cost of # of people working on compliance
- Increased chances of breakdown of co-ordination of work
Decentralized Compliance-Cons

- Increased diffusion of responsibility-
  - “I thought your group was working on that
- Increased chances of poor communication
- Confusion over the chain of command
  - Takes along time to get to the right person
- May lead to a crisis of leadership- TOO MANY CHIEFS
Decentralized Compliance- Cons

Communication

- Lack of coordination of efforts
- Too many all hands e-mails, or web sites with “mandatory” or “important” compliance messages.
- Right hand does not realize what the left hand is doing
Solution

Hybrid Model

- Mix between centralized and decentralized
- Central Committee with reporting structure to the Institutional Compliance Officer.
  - Each area has its own Compliance Officer
- EVPMA or similar position is ultimately responsible
  - Should have a vested interest in keeping a finger on the pulse of compliance.
- Central WebSite- one Webmaster
Take Home

1. Centralized is probably the best
2. Need to have sub sets of each compliance area with reporting up to the main office
3. Must have an effective leader who can create a ‘coalition of the willing’
   Willing to take the heat, willing to be champions in their own areas.
A CENTRALIZED COMPLIANCE AND CORPORATE INTEGRITY PROGRAM

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Vanderbilt University Medical Center
VANDERBILT UNIVERSITY COMPLIANCE

Audit Committee
BOT

Chancellor

Research & Medical Compliance Committee
Chair V. Chancellor for Health Affairs

VUMC Compliance And Corporate Integrity Office

Administrative Compliance Committee
Co-Chair C.F.O.
Co-Chair General Counsel

Compliance Officer
Some Joint Policies and Functions

1. Standards of Conduct
2. Conflict of Interest/Commitment
3. Institutional Review Boards (IRB)
4. Animal Care/IACUC
5. Environmental Health and Safety
Some Joint Policies and Functions

6. Human Resources
7. Internal Audit
8. Office of General Counsel
9. Information Security
10. Web Based Education Tools
VUMC DEMOGRAPHICS

Clinical Faculty 1100
Basic Science Faculty 400
Residents/Fellows 800
Hospital Discharges 42,000
Clinic Visits 800,000
VUMC COMPLIANCE OFFICE

Compliance Officer
Compliance Director
Auditors/Educators – 6
Information system Analyst and Web Master
Administrative Assistant

Note: Privacy Officer and Security Officer are separate.
Benefits of Broadly Based Compliance Programs

1. More effective way to provide concise information and risk perspective to the CEO and secure support of compliance efforts.

2. Encourages senior management to include compliance in operations.
Benefits of Broadly Based Compliance Programs

3. Largest risks and rewards usually lie at the junction of physicians and infrastructure provided by Hospital/Clinic/School:
   a) Authority/charge to examine all components is needed.
   b) Compliance sometimes pays large dividends this way.
Benefits of Broadly Based Compliance Programs

4. Information about risk is more available if everyone is looking and reporting their questions to a central resource.

5. Easier to focus attention and resources according to current risks if oversight is broad.
Benefits of Broadly Based Compliance Programs

6. Better able to integrate compliance into new or expanded ventures.

7. Easier to justify and cost-effectively use expensive technology tools and Information System Staff.
Disadvantages of Broad Compliance Programs

1. Expectations may seem boundless.
2. Greater risk for diffusion or diversion of focus.
3. Stress is created by not being able to do it all.
4. Mildly paranoid administrators may feel threatened.
Disadvantages of Broad Compliance Programs

5. Major coordination with Internal Audit, Legal and H.R. are a must.

6. Faculty morale can be damaged by heavy-handed or arbitrary actions.
Conclusion

1) A broadly based compliance program best fits the Vanderbilt University Medical Center.

2) Each academic center must determine what works best for them.
Health Sciences Center
Professional Integrity Program

Patricia J. Bickel, CPA, MBA
HCCA 2005 Compliance Institute
April 18, 2005
Industry Immersion 2
Academic Medical Centers
Health Sciences Center Mission

To advance collaborative learning and discovery leading to improved health in our community
Health Sciences Center data

- 954 Faculty
- 1,794 Staff
- 1,752 Students
- 507 Residents and Fellows
- $145.4M Sponsored Research
College of Medicine data

• 493 Faculty
• 978 Staff
• 416 Medical Students
• 507 Residents and Fellows
• 85 Graduate Students

• 56 Accredited Specialty Residency Programs

• 380K Clinic Visits
• 5 primary Affiliated hospitals
• 120 other Affiliated sites

• $116.6M Sponsored Research
COM Compliance Program

Adopted February, 1997

Focus on Physician Billing

Code of Conduct

“7 Elements”
Billing Integrity Committee

- Committee of 7 Faculty Physicians and one Nurse Practitioner appointed by the VP/Dean
  - USF Associate General Counsel advises
  - Compliance Officer staffs

- Monthly meetings, with minutes distributed to the leadership – Executive Management Committee, Board, Chairs
Billing Integrity Committee Responsibilities

Provide advice to the CPO about billing integrity policies; training programs and materials; and monitoring processes
Recommend approval by the VP/Dean of billing integrity P&P
Approve Departmental billing integrity policies and forms
Approve corrective actions and improvements recommended by the CPO
Submit to the VP/Dean disciplinary actions related to the billing integrity program
Compliance & Privacy Officer Responsibilities

- Lead development of P&P to prevent, detect and correct compliance problems
- Lead development and provision of compliance training
- Administer “Help Line”
- Direct monitoring program to evaluate billing compliance
- Investigate potential problems reported and provide reports and recommend corrective actions for BIC and/or VP/Dean approval
- Serve as the Privacy Officer (2/03)
Clinical Department Chairs
Responsibilities

Administer and oversee a Department Billing Integrity Plan, with guidance from the CPO, to include:

- Written Policies and Procedures
- Billing Integrity Training
- Monitoring of billing accuracy
Billing Integrity Officers Responsibilities

Faculty Physician in each Clinical Department appointed by the VP/Dean

Content Expert in their specialty – resource to their peers

Lead their Department’s Billing Integrity Activities

With the CPO, reviews monitoring findings and assists with corrective actions

Prepare Annual Report of their Department’s Billing Integrity Plan Activities
Influences of Change

HIPAA Privacy – 2003


HIPAA Security – 2005

DHHS Audit of Research

PharmaCode, et al

Cross-over compliance issues
HSC Professional Integrity Program Goals

Coordinate professional integrity activities within the HSC and in coordination with the USF-wide Compliance & Ethics program;

Ensure an institutional perspective;

Use the Federal guidelines for effective compliance programs as a basis for the HSC program;
HSC Professional Integrity Program Goals

Implement an “early warning” process for emerging issues;
Raise awareness about legal and ethical issues and obligations; and
Through quality improvement activities and applying best practices, ensure our teaching, research and patient care activities are legally sound and reflect our professional integrity.
Underlying Principles

Recognize the professional integrity of HSC faculty, staff and students

Facilitate doing the right things well

Use existing resources whenever possible
Vision for a Culture of Professional Integrity at the HSC

We demonstrate integrity in all that we do. We discern and choose right versus wrong, using the following as guidance:

- Laws and Regulations
- Recognized Best Practices
- USF/HSC Mission, Values, Code of Conduct, Policies

We reach for the higher standard in gray areas when all options seem right. We do the right thing even when it has a short-term cost.
What we had in place at HSC:

HSC Information Security Officer
HSC Research Administrators Network
HSC Risk Management Committee
HSC Conflict of Interest Committee
HSC Infection & Exposure Control Administrator
COM Compliance & Privacy Officer
COM Billing Integrity Committee
COM Billing Integrity Officers
USFPG HIPAA Administrator
USFPG Internal Auditor
USFPG Security & Transactions Administrator
What we agreed to add:

HSC Compliance & Privacy Officer and Director of the Professional Integrity Program (11/03)

HSC Professional Integrity Advisory Council (5/04)

Research Integrity Committee

Research Integrity Officers

Others as needs are identified
Linking with the University

USF hired a Compliance & Ethics Officer in November 2003

USF Compliance & Ethics program to coordinate with, not replace, the HSC program

HSC seen as leader
Professional Integrity Advisory Council

Advisory to the VP/Dean and CPO

Broad representation of leadership from throughout the HSC

- Faculty Affairs and Faculty Councils
- Student Programs
- Research
- Faculty Practice Plan
- General Counsel Office
- Financial/Administrative
Professional Integrity Advisory Council -

Key Responsibilities

Support and promote the HSC PIP activities

Provide & solicit input and advice on the development of and updates to the HSC PIP

Assist in designing & conducting risk assessments for prioritizing PIP efforts

Assist in identifying professional integrity training topics, and advising on training content

Assist in identifying quality improvement and process improvement projects, and providing & soliciting input
Professional Integrity Advisory Council - Key Responsibilities

Attend periodic meetings of the HSC PIAC and contribute to PIAC tasks

Serve as a liaison for HSC PIP communications

Include professional integrity topics on meeting agendas in area(s) of responsibility

Contribute to our HSC early warning process by communicating potential professional integrity concerns to the HSC Compliance and Privacy Officer
HSC Compliance & Privacy Officer and Director, Professional Integrity Program

Coordinates compliance activities within the HSC in alignment with the USF Ethics and Compliance program
Privacy Officer for the HSC
Administrator of the Billing Integrity Program
Staff to the HSC PIAC
Represent HSC on USF-wide Committees
Director of the HSC PIP
PIP development, education, monitoring & problem resolution
Prepares & presents reports of the PIP activities
The incredible lightness of Professional Integrity and Leadership
Professional Integrity and Leadership

Modeling integrity and ethical behavior is crucial to a successful program

Top management is generally perceived to exert more pressure on others to engage in unethical conduct

When leaders model ethical behavior, reduces misconduct in the organization
Compliance vs. Professional Integrity

Compliance:
- “Could we do this?” – rules based, litigious approach, defense costs

Integrity:
- “Should we do this?” – ethics based, consider how it fits with our mission, values, code of conduct
Creating a Culture of Professional Integrity

Help people **know** what the right thing is

- Training
- Readily available resource materials
- Readily available guidance

Help people **do** the right thing

- Processes that facilitate
- Leaders as Models
- Open communication
Creating a Culture of Professional Integrity

Weaving Integrity into What Matters

- Processes that facilitate getting things done right
- Accessible, helpful information & training
- Open Door, Responsive Management
- Rewards & Recognition
- Performance Reviews & Advancement
- Obtaining input and feedback
Creating a Culture of Professional Integrity

Integrity is like gold thread in a tapestry. It provides richness and value by being woven throughout.
Key Goals for FY 2004-05

Adopt a HSC-wide Code of Conduct

Identify the regulations applicable to the HSC and the respective key contacts for assistance with such

Develop a website for the Professional Integrity Program to serve as a resource to the HSC community – www.hsc.usf.edu/pio

Develop web-based training on the Code of Conduct and other Professional Integrity Topics
HSC Professional Integrity Office

1 Compliance & Privacy Officer and Director for the Professional Integrity Program

4 Billing Integrity Consultants

1 Professional Integrity Associate

1 Administrative Assistant
Questions

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