


Measuring Compliance Program Effectiveness

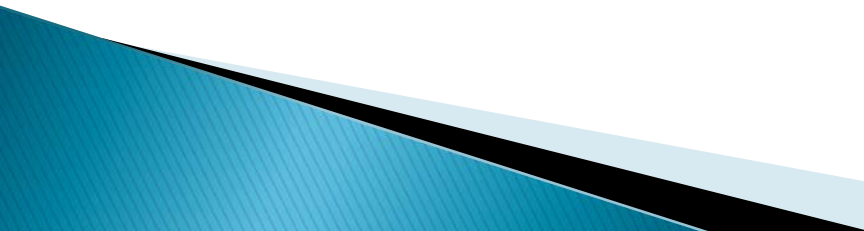
Lynda Hilliard, MBA, CHC, CCEP
Deputy Compliance Officer
University of California



Webinar Essentials

1. Session is currently being recorded, and will be available on our website at <http://www.utsystem.edu/compliance/SWCAcademy.html>
2. Attendees are currently muted. If you wish to ask a question please click on the “Raise Hand” button . The webinar administrator will un-mute you at the appropriate time.
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6. Please provide your feedback in the post-session survey.

Session Objectives

1. Identify at least 5 effective measures for compliance program reviews
 2. Develop and apply effectiveness measures to tools developed during this session
 3. Identify at least 3 ways to “add value” in reporting your results
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Evaluating Compliance Program Effectiveness



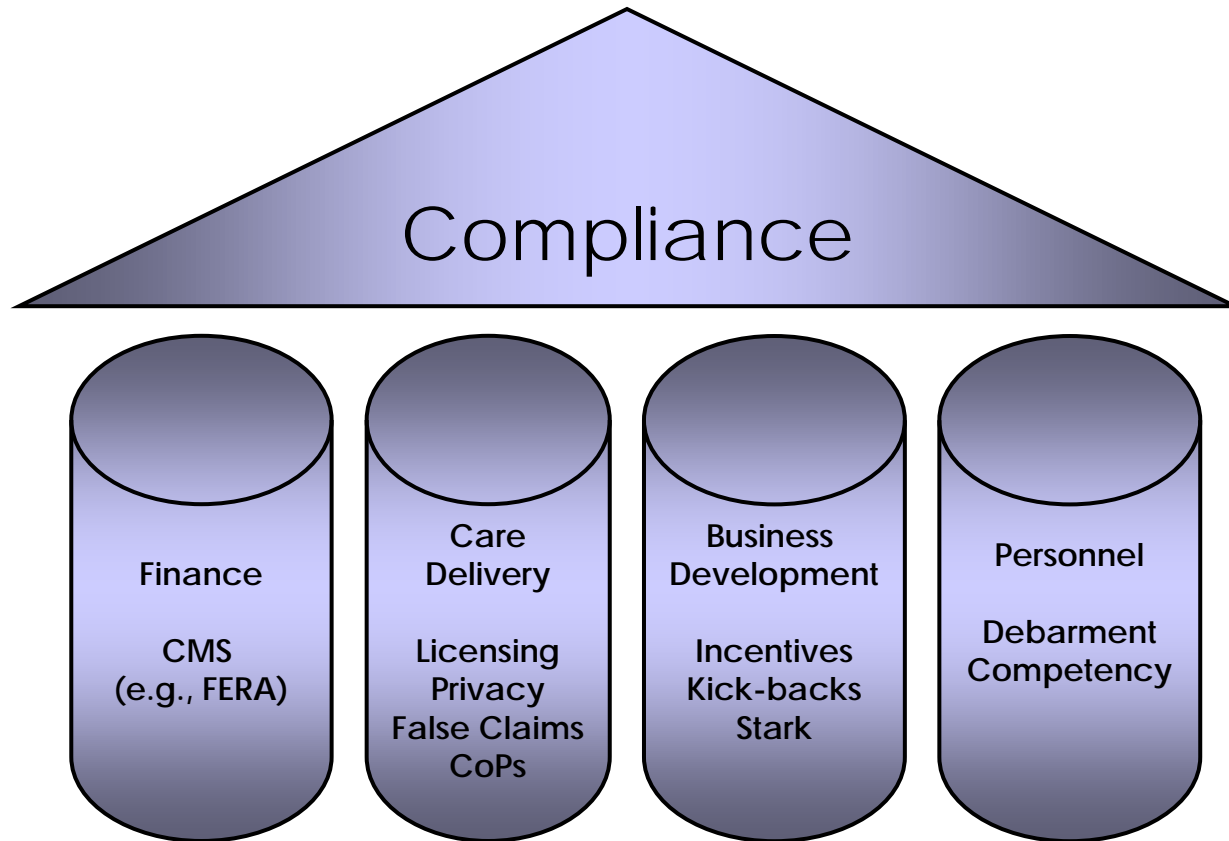
Why Evaluate?

- ▶ Determine if goals are met
- ▶ Determine value of program
- ▶ Identify gaps and revise as necessary

OIG's Compliance Program Guidance for Hospitals (1998)

- ▶ *Effective* used 24 times (14 times “*effective compliance program*”)
- ▶ Desired Effect: “promote adherence to applicable Federal and State law, and the program requirements of Federal, State and private health plans.”
- ▶ No “outcomes” guidance on how to tell if a program is *effective*; only measures of process.

High Level Components of Healthcare Compliance Risk



Quality, compliance and business risks managed in silos: Many regulatory components, some repetitive, some conflicting

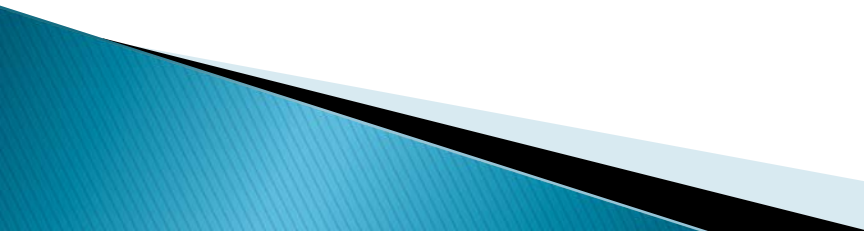
Compliance Program Maturity Determination Tool



Objective and Operational Steps to Evaluating Compliance Program Effectiveness

Evaluating Compliance Program Effectiveness

Tools for Measuring Effectiveness

- ▶ FSG 7 Elements of an Effective Compliance Program
 - ▶ OIG Model Guidances, e.g. Hospital, DME etc.
 - ▶ Industry Benchmarks – national/regional
 - ▶ Your Organization – comparison between performance from year to year
 - ▶ Related Outcomes, e.g., repayment costs for inaccurate billing/coding
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Garnering Senior Leadership Support

Management, Financial and Governance Support Are Essential for Sound Compliance Programs

1. Management: “C” level positions: CEO, CFO, CIO, COO, CCO, CLO, etc.
2. Finance: Financial support of the Compliance Department and Compliance Program
3. Governance: Board of Trustees, Board of Directors

Need engagement at all three levels of an organization



Evaluating Compliance Program Effectiveness

Determining Appropriate Outcomes and Related Thresholds

- Identify and prioritize compliance risks based upon mission, risk exposure and resources to mitigate
- Differentiate between mandatory and voluntary compliance-related risks
 - Licensing/Certification
 - Medicare Conditions of Participation
 - Reputation
 - Financial

Monitoring Processes

Integrating Compliance into Operations

Mission & Objectives

- Identify key high risk areas relating to regulatory requirements

Risk Assessment

- Prioritize Risks
- Evaluate Implementation Plans
- Compliance with Applicable Rules and Regulations

Audit Plan

- Risk/Control
- Management Focus

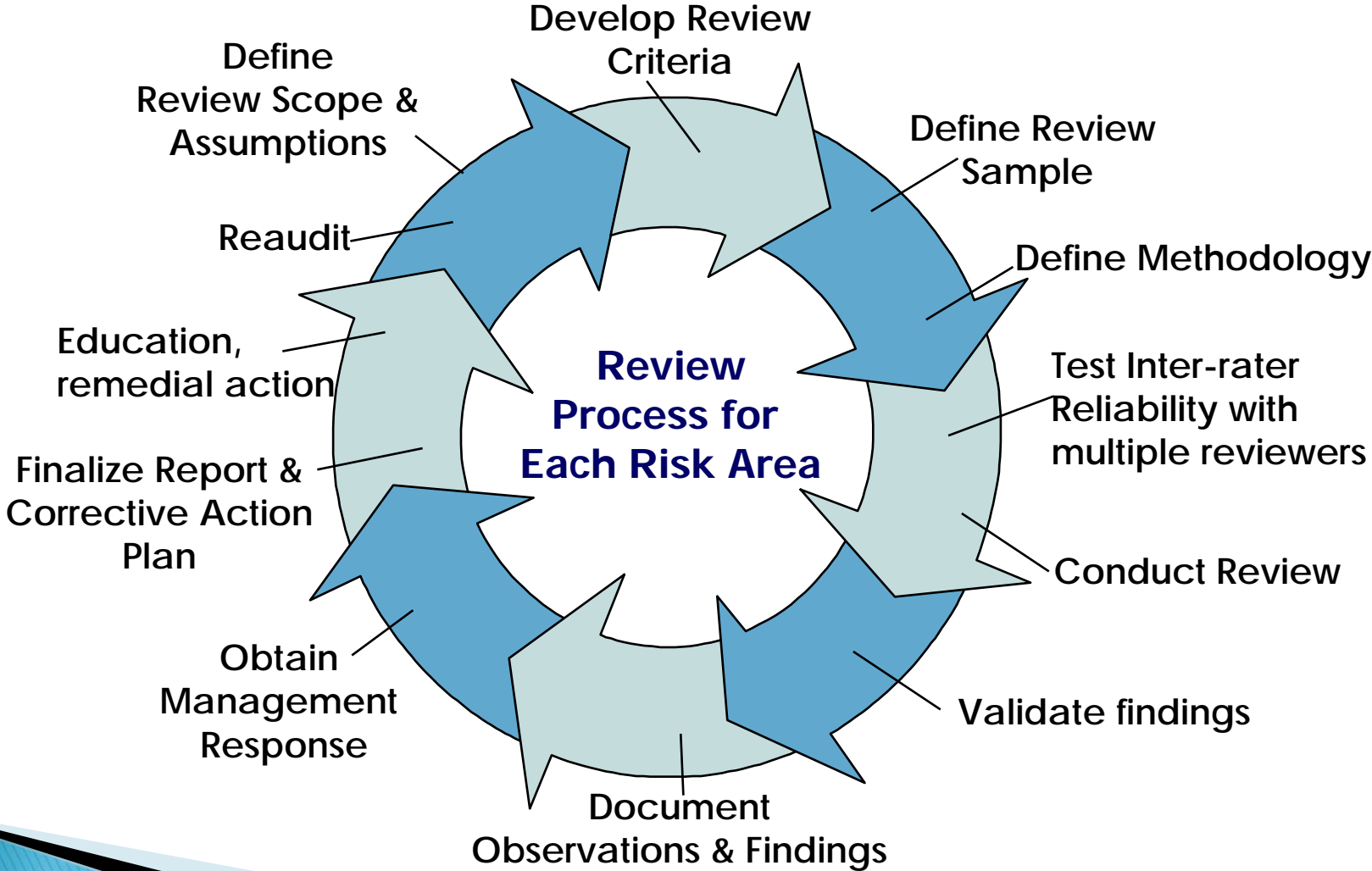
Audit Testing

- Best Practices/ Benchmarks
- Assessment Checklists
- Self Evaluation

Reports & Feedback

- Recommendations
- Performance Assessment
- Special Audits

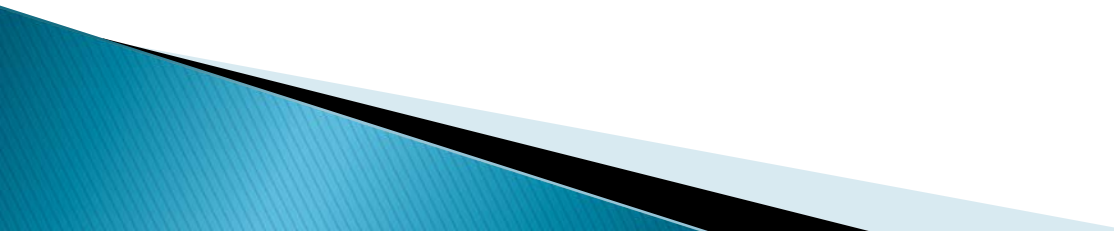
Auditing and Monitoring Cycle



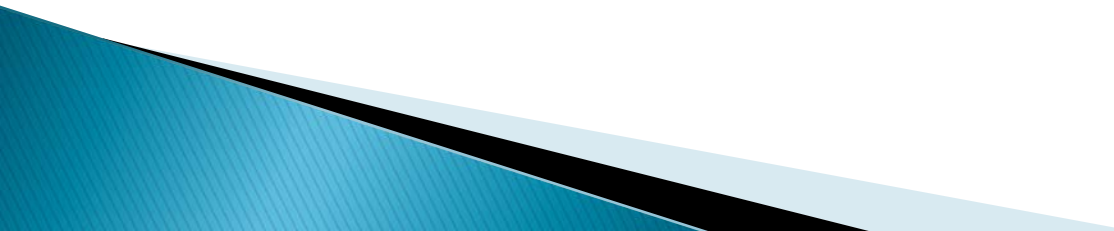
Evidence of Engaging Senior Leadership

- ▶ Understand Strategic Focus Areas
 - Patient Care
 - Employee Engagement
 - Financial Health
- ▶ Alignment of Compliance Goals with Organizational Strategies
 - Integration within Organization
 - Compliance Active in Advancing the Long-Term Strategy
 - Integral Part of the Strategic Planning
 - Communication of Enforcement Trends is Acted Upon

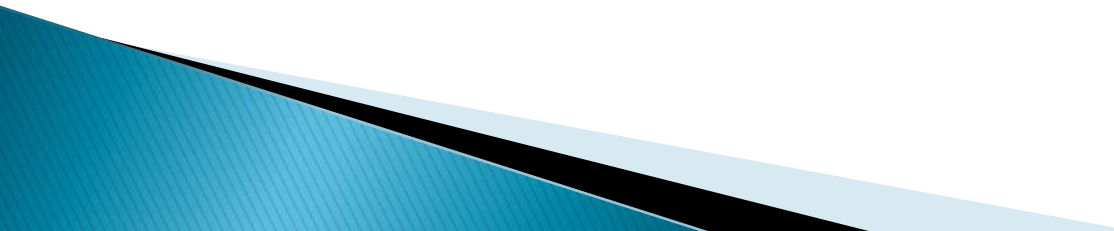
Build Relationships

- ▶ Know Your Customer
 - Department Events
 - Attend Manager Meetings
 - ▶ Establish Trust and Credibility
 - Develop Ability to Affect Change
 - Overcome Having Responsibility Without Authority
 - Conduct In-Person Compliance Training for Sr. Leaders/Board
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Evidence of Engaging Senior Leadership

- ▶ Leading and providing briefings to the Board on new developments in the law and related legal implications.
 - ▶ Interacting with the Board as they seek assurance that the compliance program and other legal controls are in place to monitor the associated legal and compliance risks.
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Evidence of Management Support

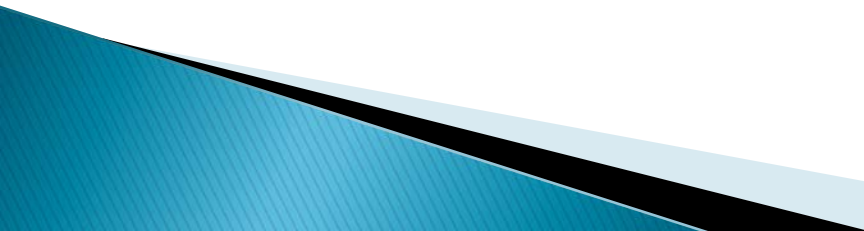
- ▶ Executive Compliance Committee Charter
 - ▶ Effective corporate compliance requires a strong message, both from the governing body and executive management, that the organization is committed to compliance with laws, regulations, and ethical corporate and individual conduct.
 - That commitment is essential to the design, implementation, and administration of an effective compliance program, especially in a matrix reporting organization.
 - ▶ Strong relationships with key operations managers and involvement of compliance in key operational decision making.
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Basics of Evaluating Effectiveness

- ▶ Develop Compliance Risk Dashboard – Proactive
- ▶ Determine Appropriate Process or Outcomes and Related Indicator Thresholds
 - Identify and prioritize compliance risks based upon mission, risk exposure and resources to mitigate
 - Licensing/Certification
 - Medicare Conditions of Participation
 - Billing/Coding Rules and Regulations
 - Financial

Examples of Effectiveness Measures

Healthcare Services are compliant when they are:

- Documented, Charged and Billed Correctly
 - Provided in an Approved Facility
 - Promoting Patient Rights
 - Reimbursed Correctly
 - Provided Without Financial Incentives
 - Medically Necessary
 - Provided by Qualified Physicians/Staff
 - Conforming to Quality Standards
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Compliance Effectiveness Outcome Measures

Identified Risks	Compliance Risk Ranking*	Type of Compliance Risk	Outcome Measurement
Standards of Conduct and Policies and Procedures			
Stark/Anti-Kickback Violations	4	Regulatory Reputation Financial	1) Decrease in reports of potential violations 2) Decrease in attorney fees related to Stark issues 3) Decrease in fines paid for violations
Data privacy and security breaches	4	Regulatory Reputation Financial	1) Decrease in number of reportable breaches - Regulatory Fines - Notification and remediation costs 2) Decrease in costs for remediation of breach
Oversight (Governing Body, Compliance Structure and Compliance Officer)			
No Governing Body oversight and knowledge of compliance risks and mitigation activities	2	Regulatory Reputation	1) Governing Body Committee minutes reflect discussion of compliance risks and mitigation activities on a periodic basis
Education and Training			
Unresolved Conflicts of Interest (AMCs)	3	Regulatory Reputation Financial	1) Increase in conflict of interest reporting and resolution 2) Decrease in attorney fees related to resolution of conflict issues
Inaccurate Bills Submitted to Government Payors	3	Regulatory Reputation Financial	1) Decrease in denials and government reimbursement payback

* Compliance Risk Ranking is derived by a quantifiable measure determined by each organization. It includes the prevalence and gravity of the risk to the organization, as well as the presence or lack of controls to mitigate the risk

Compliance Effectiveness Outcome Measures

Identified Risks	Compliance Risk Ranking*	Type of Compliance Risk	Outcome Measurement
Communication/Anonymous Reporting			
Qui-tam report	2	Regulatory Reputation Financial	1) Increase in employee education related to Standards of Conduct and internal reporting
Enforcement and Screening			
Contracting without controls for appropriate pre-service screening	2	Regulatory Reputation Financial	1) Increase in percentage of new providers and vendors screening prior to initiating services who have been either debarred or sanctioned by the government. 2) Decrease in attorney/risk management fees for potential lawsuits related to poor quality or lack of appropriate credentialing
Audit and Monitoring Activities			
Insufficient resources to monitor and address high risk regulatory requirements	4	Regulatory Reputation Financial	1) Approved audit plan activities have been conducted by appropriately trained staff resources 2) Additional audits, as needed, have been conducted without constraint to overall audit plan
Response and Prevention			
Remediation does not occur and/or is not ongoing	3	Regulatory Reputation Financial	1) Subsequent audit(s) or external reviews of identified risk areas show remediation has occurred and is sustained

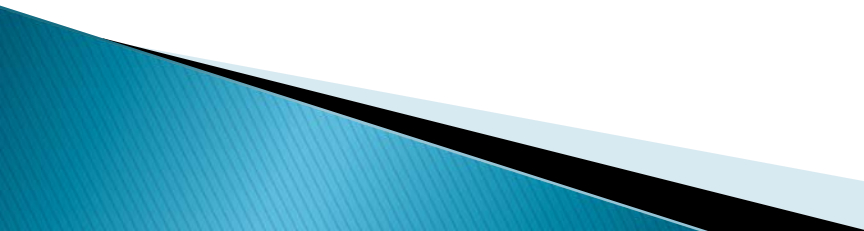
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Communication Strategies


▶ How are we Evaluated?

- What we do ...
- How we look ...
- What we say ...
- How we say it ...

▶ Compliance Awareness

- Benefit of Sharing and Celebrating Successes
 - Link Outcomes to Organization Initiatives
 - The OIG is Watching
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Communicating the Results...

- ▶ Who/what is the target?
 - Organization,
 - Entity/facility,
 - Board of Directors/Trustees/Senior Leadership (CEO) compliance objectives evaluation
 - ▶ What is the “frame of reference”?
 - Organization or personnel scorecard
 - ▶ When is the best time for disseminating results?
 - ▶ How should you communicate, i.e.: summary, verbally, factual information related to error rate, etc.
 - Based on sensitivity/confidentiality of review results
 - Need to work with legal counsel
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Summary

Measuring and Reporting CP Effectiveness :

- ▶ Provides valuable insight to move the program from one level to next
 - Focus limited resources on high profile/risk areas
- ▶ Quantifies “value” of program within the entity and demonstrates commitment of leadership to continually improve oversight activities
- ▶ Documents “good faith” efforts by organization to government