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Creating and Managing Effective Compliance and Audit Programs

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Your Plan for Life.™

What is a Corporate Compliance Program?

- A corporate compliance and ethics program is a mechanism to detect and prevent improper behavior in the workplace.
- A Director of any health care organization owes a duty to attempt in good faith to assure that adequate and effective corporate information and reporting systems exist.
- All health care organizations must have a Compliance and Ethics Program to operate effectively in a regulated environment.

To implement an effective Program an organization must:

- Exercise due diligence to prevent and detect non-compliant conduct.
- Promote and encourage an organization wide culture of commitment to compliance and ethical behavior.
- Respond to and prevent non-compliant conduct.
- Assess the risk of non-compliant behavior on a regular basis.

We all know the basics of an effective compliance program...

- OIG Compliance Guidance/Federal Sentencing Guidelines
 1. Written Policies and Procedures
 2. Designation of a Compliance Officer
 3. Employee Screening
 4. Education and Training
 5. Internal Monitoring and Auditing
 6. Discipline and Incentives
 7. Investigation and Corrective Action

1. Put it in writing

Put it in writing

Always make the expectations clearly known.

Examples: Code of Conduct, P&P's

2. Put someone in charge

Compliance Officer

High level of authority

Direct access to the governing body, CEO, President

Establish a Compliance Committee

Coordination & Communication

Need direct relationship with Legal, inter-functional

Board needs to be clear on compliance/legal relationship & interactions

Who is in role of Compliance Officer?

3. Be careful who you hire

- Background checks
- Cori's
- OIG/GSA Sanctions List
- Reasonable Confirmation

4. Tell people exactly what your expectations are

- Training
- Education
- Licensure, if applicable
- All mandatory, regular and ongoing

5. Code of Conduct, P&P's

- Make sure they work and are being followed
- Listen to your employees feedback
- Make sure documents reflect reality

6. Punish compliance violations

- Policies should reflect degrees of discipline and punishment
- Must be appropriately and consistently applied
- Must be applied evenly across all levels of organization

7. Find and fix it

- Promptly investigate allegations
- Where problems are identified, initiate a corrective action plan and implement as soon as possible
- May include self reporting to law enforcement, government agency
- And/or
- Submission of overpayments
- Outcome of findings – cause & effect: modifications/changes, reaction, updates

Functions & Responsibilities of Audit

- Financial – accuracy and integrity of information
- Compliance – legal, regulatory, contractual
- Operational – governance process, risk control, information security, safeguarding of assets

Overlap of Audit and Compliance

- Functions may be separate but still overlap
- Compliance with State and Federal regulatory bodies like CMS
- Contract compliance
- Compliance with organization P&P's

Responsibilities

- Ensure that business is conducted according to the Code of Conduct
- Oversight of internal and external audit processes
- Audit schedule, work plan, benchmarking, other audit results as necessary
- Reporting findings both ad hoc and annual updates to the Board and Audit and Compliance Committees

Creating a Culture of Compliance

- Should not just be in preparation for or reaction to a Site Visit
- Must have an ongoing evaluation process
- Conducted by qualified staff
- Focus on areas of substantive exposure to government enforcement
- Establish benchmarks
- Periodically review whether you are doing a good job

What to look for...

- Develop audits by regularly reviewing data
- Keep an eye out for outliers
- Develop metrics that watch out for unusual patterns
- Watch frequent fliers
- Use CMS or OIG guidelines to develop audit tools
- Watch what the watchers are watching!
- AND
- Be vigilant!

Compliance...

- It has become a complicated business but a well run program keeps an organization on an even keel – you don't want surprises!
- Questions?