

**Getting to Effectiveness ...
Managed Care Organization
Compliance Programs**

HCCA Managed Care Compliance Conference
February 6, 2011

**Purpose of a
Compliance Program**

- Creating a culture that promotes ethical behavior
- Ensuring that the organization meets its regulatory obligations

Compliance Program Philosophy

- Committed to “doing the right thing—each and every time”
- Guided by the mission, vision, and values

Compliance Environment ... What Changed

- More consistent, nationwide law enforcement response to fraud
- Proactive approach and faster prosecutions encouraged
- Mandatory compliance programs
- New emphasis on measuring effectiveness

[Compliance Program Model]

- Compliance model follows the business model
- Lifeguard vs. Cop
- Scope of Compliance Program
- Compliance as a “flashlight”

[Fulfilling the Compliance Commitment]

- Employee and manager responsibility and accountability
- Policy development
- Code of Conduct
- Education, training, and communication
- Reporting
- Monitoring
- Auditing
- Ongoing evaluation and strategy

Influencing Change Influencing Decision-Making

*“The secret is to always
let the other person
have your way.”*

Claiborne Pell

The Art of Persuasion

- Building Relationships
- Communicating Strategies
- Ensuring Site Accountability/Ownership
- Reporting Results

Building Relationships

- **Know Your Customer**
 - Department Events
 - Manager Meetings
 - Ride-Alongs
 - Walk in Their Shoes ...

- **Establish Trust and Credibility**
 - Develop Ability to Affect Change
 - Overcome Having Responsibility Without Authority
 - Conduct In-Person Compliance Training When Possible

Communicating Strategies

- **How are we evaluated?**
 - What we do ...
 - How we look ...
 - What we say ...
 - How we say it ...

- **Compliance Awareness**
 - Benefit of Sharing Learnings and Celebrating Successes
 - Link Outcomes to Organization Initiatives
 - The Regulators are Watching

Ensuring Business Accountability

- Integrating Compliance Into Operations
 - Compliance as a Flashlight
 - Ensure Accountability Remains with Operations
 - Don't Be Afraid to Work Yourself Out of a Job
- Facilitating Effective Hand-Offs
 - Say Yes ... But Move to Support Role
 - Keep Senior Leaders Updated
 - Clarify Roles and Expectations
 - Always Give the Business the Credit

Reporting Results

- Measuring Effectiveness
 - Demonstrating Results
 - Prevention and Education
 - Observation and Detection
 - Correction and Response
 - Communicating Outcomes
- Reporting
 - Oversight Committees/Board
 - Standardize Reporting Tools
 - Summarize Outcomes
 - Highlight Successes and Risk Areas

Articulating Your Objective

- **MISSION:**

- The purpose of the Compliance Program is to ensure operational accountability for compliance with the obligations that govern our business.
- This will be achieved through:
 - Clear outcome measures
 - Standardized processes, tools, and accountabilities
 - Governance process and structure
 - Tracking and oversight.

Guiding Principles

- Our program translates our values into actions
- Business operational leaders are responsible for compliance
- We will develop a strategy for effective compliance and support business leaders in implementing that strategy
- Our regulatory relationships are fundamental for our organization's success
- We will create clear accountability around compliance and foster open, honest and clear communications about our outcomes

[Evaluating Your Program]

Measurement Framework:

$$\frac{\text{Structure} \times \text{Process} \times \text{Outcome}}{\text{Effectiveness}} =$$

[Measurement Framework]

- **Structure** measures refer to the *capacity* of a health care organization to ensure compliance
- **Process** measures refer to the *manner* in which an organization actually provides compliance coverage
- **Outcome** measures refer to *observable, measurable* compliance outcomes

Compliance Scorecard

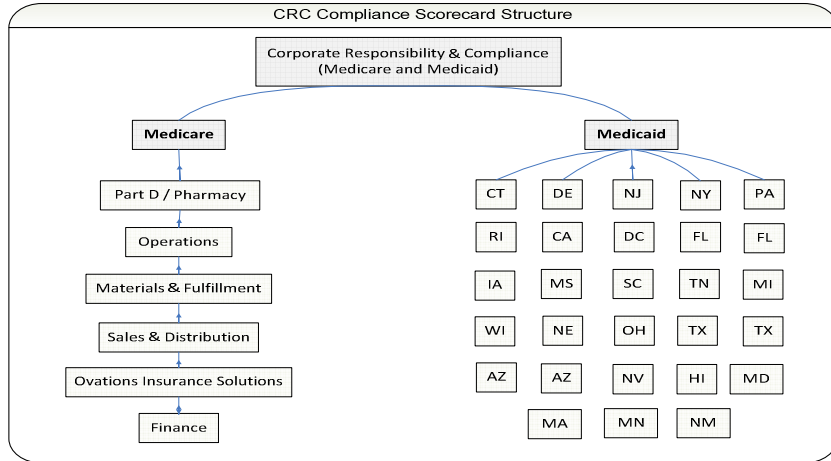
**Structure x
Process x
Outcome =
Effectiveness**

Public & Senior Markets Group – Corporate Responsibility & Compliance							
Quarterly Performance – Q1 2011							
STRUCTURE (25)	PSMG	POINTS					
		Q1	Q2	Q3	Q4		
1 Program Oversight (5)							
2 Standards, Policies & Procedures (5)							
3 Reporting Mechanisms (5)							
4 Compliance Education & Training (5)							
5 Communication & Awareness Strategy (5)							
PROCESS (25)	PSMG	POINTS					
1 Assessment, Identification, & Prioritization of Compliance Risk (5)							
2 Key Compliance Indicators – Prevention, Detection, & Monitoring (5)							
3 Key Compliance Indicators – Response & Correction (5)							
4 External Regulatory Requirement & Internal UnitedHealth Group Policy Implementation (5)							
5 Corrective Action Plans, Enforcement & Disciplinary Guidelines (5)							
OUTCOMES (50)	PSMG	POINTS					
1 Compliance Audit Results (30)							
2 Regulatory Compliance Results – Regulatory Notices, Fines, Penalties (15)							
3 Privacy / Security – Disclosures & Notifications (10)							
4 Delegated Entity Compliance (10)							
5 Vital Signs Survey – Ethical Compliance Dimension (5)							
EVALUATION KEY:		TOTAL:		Q1	Q2	Q3	Q4
85-100		70-84		69 and Below			

Compliance Scorecard

- 15 individual measures across the categories of structure, process, and outcome with a total available point value of 100.
- All compliance program areas implement and manage a scorecard.
- The same 15 measures are applied to each program while allowing some flexibility in how the program responds to or meets the common measure objectives.
- Measures and objectives are defined within a companion document titled the 'Explanation of Terms'.
- Progress and results are assessed and reported on a quarterly basis.

Oversight Structure



Measurement Framework - Structure

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1	Program Oversight (5)					
2	Standards, Policies & Procedures (5)					
3	Reporting Mechanisms (5)					
4	Compliance Education & Training (5)					
5	Communication & Awareness Strategy (5)					

Measurement Framework - Structure

- Program Oversight –
 - Accountability & Oversight
 - Engaged & Effective Governance
- Standards, Policies & Procedures
 - Focusing on compliance 'best practice' reviews
- Reporting Mechanisms
 - Investigations, Compliance Issue Tracking, & Compliance Exit Interviews
- Education & Training
 - Includes both organization mandated courses and program specific training activity
- Communication and Awareness Strategy
 - Program specific communication plan

Explanation of Terms

■ Example "Explanation of Terms"

S1 – Program Oversight: (5 points)

- A core element of an effective compliance program is to demonstrate support and engagement of business leadership and the governing body (i.e. Sr. Management, Board of Directors, Oversight Committees*, etc). Effective program oversight may be accomplished through the identification of a compliance officer and creation of a structure or committee to oversee the effective administration of the compliance program within the business unit. Points will be assessed as follows:
 - 2 points = Accountability and Oversight:
 - Identification of compliance officer within program area who is accountable to senior management and the identification of accountable business leader(s) who collaborates with and supports the compliance officer in management of the compliance program.
 - As applicable, identification of compliance officers will be at an individual business unit level, which may include individual plan, program or delegated entity relationship.
 - Establishment of an oversight committee with membership comprised of key management staff with relevant functional responsibilities within the program area or plan. The compliance officer, accountable business leader(s), and oversight committee members will utilize common tools to align program efforts with the expectations of key regulators.

Explanation of Terms

Example "Explanation of Terms"

S1 – Program Oversight: (5 points)

- 3 points = Engaged and Effective Governance: Program area activities that demonstrate an engaged and effective oversight structure include but are not limited to:
 - Demonstrate (through charter /agenda /minutes) that the oversight structure is in place.
 - Demonstrate periodic education of oversight committee membership on compliance program, member's roles/responsibilities within the oversight structure, and emerging risk areas.
 - Demonstrate committee membership participation and engagement through regular attendance at oversight committee meetings.
 - Demonstrate quarterly compliance activity reporting to senior management including but not limited to self-disclosures made to regulators/government agencies, annual audit plan, scorecard progress, compliance issues of concern, and any disciplinary actions taken as a result of compliance violations.
 - Demonstrate oversight of delegated relationships within committee structure including but not limited to documented periodic review of compliance performance, identified issues and response to applicable identified issues.
 - Demonstrate oversight and periodic review of program anti-fraud, waste, and abuse activities and efforts relating to providers, members, and employees.

Measurement Framework - Process

Public & Senior Markets Group – Corporate Responsibility & Compliance Quarterly Performance – Q1 2011

	PROCESS (25)	PSMG	POINTS			
			Q1	Q2	Q3	Q4
1	Assessment, Identification, & Prioritization of Compliance Risks (5)					
2	Key Compliance Indicators – Prevention, Detection, & Monitoring (5)					
3	Key Compliance Indicators – Response & Correction (5)					
4	External Regulatory Requirement & Internal UnitedHealth Group Policy Implementation (5)					
5	Corrective Action Plans, Enforcement & Disciplinary Guidelines (5)					

Measurement Framework - Process

- Assessment, Identification, and Prioritization of Compliance Risks
 - Ongoing process to assess identified risks.
- Key Compliance Indicators (KCI) – Prevention, Detection, & Monitoring
 - Processes to demonstrate ongoing monitoring and assessment of identified KCI
- KCI – Response & Correction
 - Processes to demonstrate review and response to monitoring results.
- External Regulatory Requirement & Internal Policy Implementation
 - Processes to review and implement as applicable.
- Corrective Action Plans, Enforcement & Disciplinary Guidelines
 - Effective CAP management processes and engagement of program in supporting consistent enforcement / disciplinary guidelines.
 - Program specific communication plan

Measurement Framework - Outcomes

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OUTCOMES (50)	PSMG	POINTS			
		Q1	Q2	Q3	Q4
1 Compliance Audit Results (10)					
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		Q1	Q2	Q3	Q4
EVALUATION KEY:		TOTAL:			
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[Measurement Framework - Outcomes]

- **Compliance Audit Results**
 - All external and internal audit results are assessed.
- **Regulatory Compliance Results (notices, fines, etc)**
 - Includes notices received from CMS and state regulators.
- **Privacy & Security Disclosures**
 - Assessed by quantity and severity.
- **Delegated Entity Compliance**
 - Appropriate oversight structure, vendor performance, and identified compliance concerns.
- **Vital Signs Survey – Ethical Compliance Dimension**
 - Activities to impact organizational culture and annual survey results.

[Reporting the Results]

- Executive Team
- Board of Directors
- Regulators

[Board Accountabilities]

- Ensure that the organization's governing authority is knowledgeable about the content and operation of the program

AND

- Exercise reasonable oversight with respect to the program's effectiveness.

[Role of Leadership]

Leaders are responsible for conduct and management of a company and its affairs:

- Act in best interests of company and in good faith at all times
- Disclose conflicts of interest
- Be engaged and aware

Government Expectations of Board Engagement

- Understand the content and operation of the compliance and ethics program
- Exercise reasonable oversight with respect to the program's implementation and effectiveness

Government Expectations of Board Engagement

- Organizations which fail to ferret out wrongful conduct and non-compliant activity will likely suffer the consequences of not doing so
- Increased focus on quality and patient safety
 - Emerging as enforcement priority for regulators
 - Increases expectation regarding oversight of corporate affairs

Government Expectations of Board Engagement

Daniel Levinson, Inspector General reminds boards that quality of care is a compliance concern and there is a material linkage between Medicare/Medicaid billing to the quality of patient care.

*Trustee Engagement and Hospital Success
July /August 2010*

Government Expectations of Board Engagement

“Compliance officers will have to produce data showing they reduced the risks of fraud, waste and abuse, and not just present the number of hotline calls and employees screeed for Medicare sanctions.”

*Former HHS Inspector General Richard Kusserow
President of Strategic Management in Alexandria, VA
Report on Medicare Compliance, August 16, 2010*

Strategies for Board Communication

- In-person Training
 - Orientation and Annually
- On-going Education
 - Prepared Board so can ask key questions
 - Educate on Key Responses
- Provide Effective Tools
 - Scorecard
 - Updates on Enforcement Trends
- Participation in System-Wide Initiatives
 - Development of Mission, Vision, and Values
 - Visibility and Interaction with Employees

**Just another day in the life of a
compliance professional ...**

*Some days you are the bug,
some days you are the windshield.*

[Questions]

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