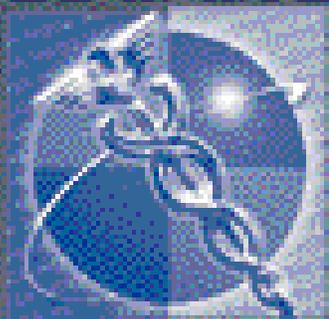


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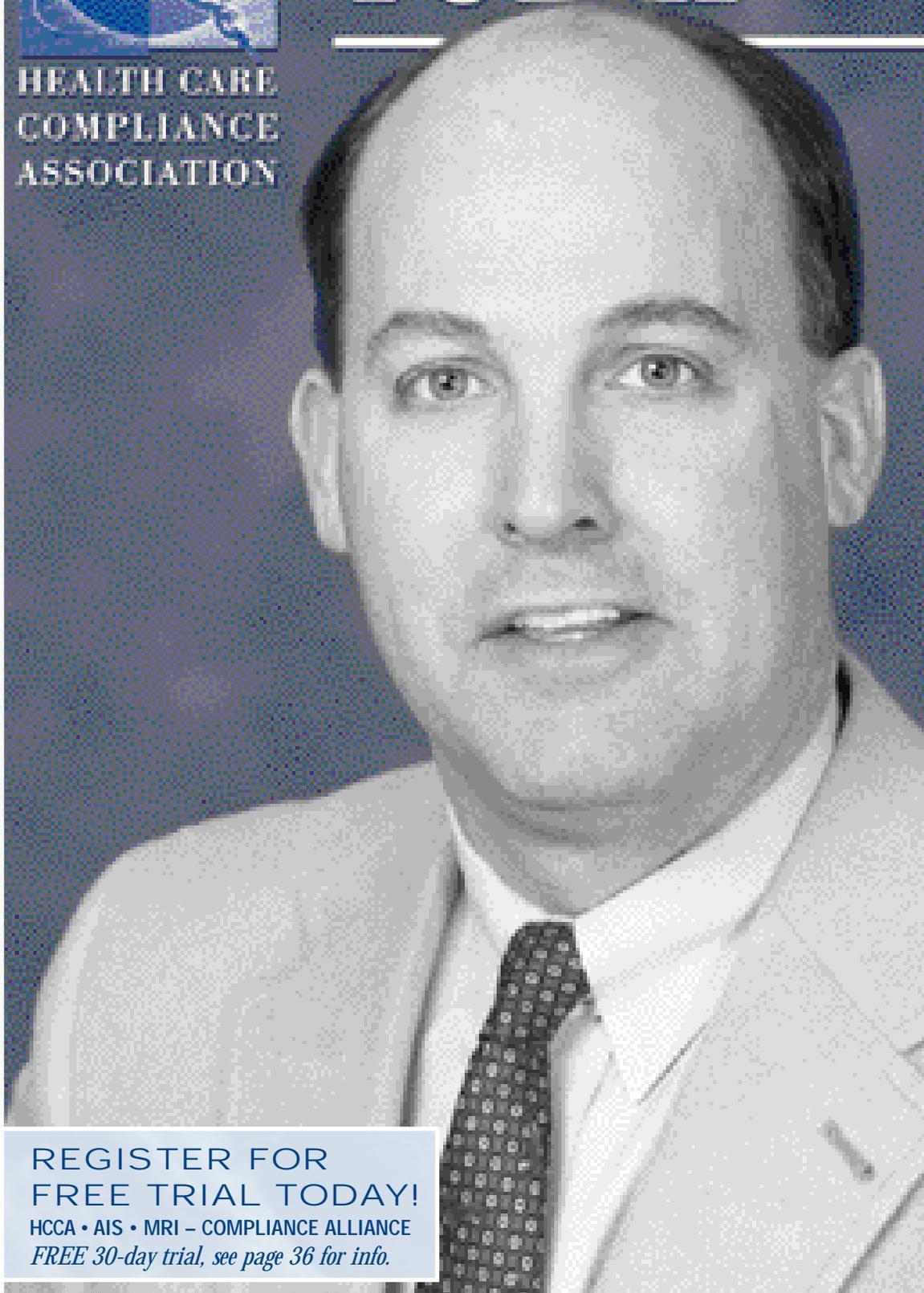


HEALTH CARE
COMPLIANCE
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COMPLIANCE TODAY

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Interview
with
Jeffrey
Oak



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Letter from the CEO

ROY SNELL

Is your Board bored?

After six or seven years of heavy compliance related activity in health care we are beginning to see a great deal of attention paid to the Board of Directors' role in compliance. You would have thought it would have happened sooner given the billions of dollars spent on health care settlements. What finally caused us to pay more attention to the Board? Could it have been Enron, Worldcom, or Tyco? Maybe it was HealthSouth? The interesting thing is that compliance is still not being driven from the top down by the Board of Directors.

Compliance Officers, and in some cases legal counsel, have tried to get health care Boards' attention. The government is trying to get their attention. Congress is trying to get their attention. The General Accounting Office has done a report on Corporate Responsibility. The Office of Inspector General and the American Health Lawyers Association have put out a resource for the Board of Directors. Sarbanes-Oxley is on the tip of everybody's tongue. Boards of Directors need to get more involved than a 10-minute agenda item every four months and they need to start asking tough questions. Simply asking the CEO, CFO, and the legal department if everything is okay is not enough anymore. We have to take the blindfolds off the Boards' eyes and ears and let them see for themselves.

Health care leadership is told every week that there is a crisis in some area and the new crisis requires the Boards full attention. This time it just so happens to be true. In most cases health care leadership is not intentionally withholding information; they just do not feel that the Board should have to spend significant time on compliance. Boards of Directors need to become involve to help ensure independence and remove the inherent conflict of interest.

How can the Board get more involved? The audit firm should be hired by and report to the audit committee. The Audit Committee should put out an RFP (Request for Proposal),

narrow it down to two-three firms, interview and select the best candidate. The audit firm needs to understand that the Audit Committee will decide if they will return the next year. The Compliance Department should monitor the auditors by conducting interviews and review high-risk areas. The Compliance Officer should have a dark line, not a dotted line to the Board. The Compliance Officer should report to the Board chair on a regular basis. The Board needs to eliminate the existing conflicts of interest by interacting directly with more people.



The Chief Executive Officer (CEO) is asked to make sure that the organization is run properly and is financially successful. The Chief Financial Officer (CFO) is asked to make sure the numbers look good. The Legal Department is asked to defend the organization from abuse. The Billing Department is asked to collect as much money as they can as fast as they can. You can't put people under extreme pressure to succeed and ask them to monitor themselves. Regardless of what change you feel needs to be made, something needs to change. We have had the current model for years and the current model is not working.

My experience with Boards is that they would rather talk about finances or the next clinical or administrative project, not compliance issues. There are some exceptions but members of the Board of Directors need to be as concerned about what their organization is doing to other organizations as they are about what other organizations are doing to them. When that happens we will have beat this thing and the investigators will move on to another industry. ■

Compliance Today wants you!

Please email your article or topic ideas to **Compliance Today** editor, Margaret Dragon, at mrdragon@ziplink.net. Be sure to include your telephone number. Or call Margaret at 781/593-4924 to discuss your article ideas. Some topic ideas to consider: compliance and the Board, HIPAA compliance education and training, moving beyond billing compliance, and monitoring your compliance program. ■