Large Hospital Systems

HCCA 17th Annual Compliance Institute

PREAM1
April 21, 2013

Session Goal

This session is the opportunity for Large Hospital and Health System compliance officers to engage in a collaborative discussion of both new and chronic challenges to effective compliance programs unique to such organizations, share model practices and practical solutions. A panel of experienced large system compliance professionals will introduce and speak to such topics, engage the audience in an interactive exchange of perspectives and approaches and solicit from you additional issues of concern. You should take away from this session an enhanced understanding of such challenges common to compliance programs in large organizations, new approaches to them and the wisdom of your colleagues.

Panelists:

- **Suzie Draper** – VP – Business Ethics and Compliance – Intermountain Healthcare
- **John Steiner** – Chief Compliance Officer – Cancer Treatment Centers of America

Moderator:

- **Cheryl L. Wagonhurst** – Law Office of Cheryl Wagonhurst
Intermountain Healthcare

- Serves Utah and southeastern Idaho
- Not-for-profit healthcare system
- 22 hospitals
- >185 clinics
  - 24 community clinics for low-income, homeless and uninsured; 6 owned, 18 receiving financial support
- 900 physician multi-specialty Intermountain Medical Group
- Health insurance – SelectHealth
  - 500,000 covered lives
- Homecare and Hospice
- Clinical Quality Board Goals
- 33,000 employees
- Total assets of $6.2 billion
- Total operating revenues of $4.4 billion

Cancer Treatment Centers of America

- National network of cancer hospitals founded in 1988
- Serves patients from all 50 states, at specialty hospitals located in Chicago, Tulsa, Philadelphia, Phoenix and Atlanta
- Focuses on complex and advanced-stage cancer
- Offers fully integrated approach to cancer treatment
  - Traditional treatments like surgery, radiation and chemotherapy, and complementary therapies like nutrition, acupuncture and mind-body medicine to manage side effects, all under one roof
- Known for delivering the Mother Standard® of care and Patient Empowerment Medicine®
- 4,500 employees (called “stakeholders” at CTCA)
- Partners with nearly 300 different organizations to educate, support local communities and improve health and wellness

Overview

I. Operational Challenges
II. Hot Topics
III. Interactive Application – Your Case Studies and Scenarios
I. Operational Challenges

Examples of Challenges:
- Ethical decision making
- Resources
  - Internal resources
  - External resources
- Efficiency
  - Leveraging
  - Creating the value proposition
  - Data Mining
- Protecting Compliance Turf

Polling question:
- Which department/function presents the biggest operational challenge in your organization?
  - Corporate and Governing Boards
  - Compliance Officer reporting structure
  - Interface between corporate and hospital departments
  - Legal Department
  - Internal Audit
  - Human Resources
  - Quality Department
  - Revenue Cycle Organization
  - Information Privacy and Security
I. Operational Challenges – Interface with Departments of the Hospital and Corporate System:

Polling question:
- What interface or coordination between departments of the hospital and the corporate system causes you the most problem?
  - Coordination with the Legal department
  - Coordination with Human Resources
  - Coordination with Internal Audit
  - Coordination on specific issues involving clinical effectiveness (Quality)
  - Coordination with Risk Management
  - Coordination of investigations

Compliance Program Process

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Description</th>
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<tbody>
<tr>
<td>Identification</td>
<td>Corporate staff – regulatory issue identification, clarity</td>
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<tr>
<td>Assessment</td>
<td>Corporate staff – initial analysis</td>
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<td>Corrective Action</td>
<td>Central subject matter experts</td>
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<td>Communication</td>
<td>Central subject matter experts; bi-directional feedback</td>
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<td>Implementation</td>
<td>Local subject matter/process experts</td>
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<td>Monitoring</td>
<td>Regional / local compliance teams</td>
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<td>Sustainment</td>
<td>Internal Audit; corporate staff</td>
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I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program:

Polling question:
- Which element of your compliance program seems to be the hardest to implement?
  - Board and Organizational Support
  - Standards of Conduct / Policies and Procedures
  - Education and Training
  - Monitoring and Auditing
  - Effective Lines of Communication / Reporting
  - Enforcement and Discipline
  - Corrective Action, Response and Prevention
  - Risk Assessment
I. Operational Challenges –
Implementation of the Elements of an Effective Compliance Program:
Board and Organizational Support

Polling question:
• What challenges do you have in keeping your Boards informed?
  – Members appreciating their roles and duties
  – Oversight committees supporting the compliance program
  – Reporting information to boards (dashboards, packets, reports)
  – Sophistication to understand issues and nuances
  – Compliance Officer reporting structure to Board

I. Operational Challenges –
Implementation of the Elements of an Effective Compliance Program:
Standards of Conduct / Policies and Procedures

Polling question:
• Which of the following is the biggest challenge for your organization regarding Policies and Procedures?
  – Variability in policy use and application across the organization
  – Documentation of compliance with policies
  – Appropriate scope of policies for organization
  – Regular review and approval of policies
  – Employee understanding of policy application

I. Operational Challenges –
Implementation of the Elements of an Effective Compliance Program:
Education and Training

Polling question:
• What challenges does your organization experience in delivering effective compliance education?
  – Keeping content fresh and creative
  – Delivery (online, just-in-time, new hires)
  – Focus and documentation of outcomes
  – Cost (time, development)
  – Vendor / Workforce (scope, delivery)
I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program: Monitoring and Auditing

Polling question:
- In which area do you think your organization has the best infrastructure (monitoring and auditing)?
  - Data mining – proactive response to government concerns
  - Regular dashboard reporting
  - Appropriate engagement of legal counsel
  - Routine process monitoring
  - System-wide learning
  - Incorporation of auditing/monitoring into organization’s compensation model
  - Response to complaints or external audits

<table>
<thead>
<tr>
<th>Type of Monitoring</th>
<th>Purpose: (Triggering Event)</th>
<th>Results/Outcomes</th>
<th>Next Steps</th>
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I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program: Monitoring and Auditing

Polling question:
- In which area do you think your organization needs additional infrastructure support (monitoring and auditing)?
  - Data mining – proactive response to government concerns
  - Regular dashboard reporting
  - Appropriate engagement of legal counsel
  - Routine process monitoring
  - System-wide learning
  - Incorporation of auditing/monitoring into organization’s compensation model
  - Response to complaints or external audits

I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program: Effective Lines of Communication / Reporting

Polling question:
- How are most compliance concerns reported in your organization?
  - Hotline
  - “Open Door” Policy
  - Web-Based Reporting Tools
  - Exit Interviews
  - Monthly Reports
  - Word of Mouth
I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program: Enforcement and Discipline

Polling question:
- Do you feel that discipline for non-compliance (both omission and commission) is applied consistently within your organization?
  - Yes
  - No

I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program: Enforcement and Discipline

Polling question:
- Are physicians sanctioned within your organization (both omission and commission)?
  - Yes
  - No

I. Operational Challenges – Implementation of the Elements of an Effective Compliance Program: Corrective Action, Response and Prevention

Polling question:
- Which regulation creates the most activity within your organization?
  - PPACA – Overpayments returned within 60 days
  - Privacy Reporting
  - EMTALA
  - Physician Self-Referral (Stark)
  - Limited English Proficiency (ADA, Title VI, Section 504)
I. Operational Challenges –
Implementation of the Elements of an Effective Compliance Program:
Risk Assessment

Polling question:

- Which of the following is most clearly understood in your organization’s effort in creating a robust risk assessment:
  - Administrative/Operational accountability and ownership
  - Issues identified for risk assessment
  - Clarity of oversight (central / entity)
  - Clarity of implementation accountability (central / entity)
  - Role of the Compliance team
  - All clearly understood

I. Operational Challenges –
Implementation of the Elements of an Effective Compliance Program:
Risk Assessment

Polling question:

- Which of the following needs better clarification in your organization’s efforts in creating a robust risk assessment?
  - Administrative/Operational accountability and ownership
  - Issues identified for risk assessment
  - Clarity of oversight (central / entity)
  - Clarity of implementation accountability (central / entity)
  - Role of the Compliance team
  - All need better clarification

I. Operational Challenges –
An Effective Compliance Program:

- Effectiveness (can you answer the tough questions?)
  - How do you know your organization is ethical?
  - How do you know your compliance program is effective?
II. Hot Topics

Quality of Care
- Impact of Accountable Care Act
- Advising on Exchanges
- Risk of Exposure – False Claims Act
- Medicaid
- Data mining

Hot Topics
- Privacy
  - Impact of the Omnibus Act
  - Managing your BAA Process
  - Relationship between Privacy and IT/IS program

Hot Topics
- Physician Owned Entities
- Reaction to OIG Fraud Alert
- Relationships to POE
- Promoting innovation by physicians
II. Hot Topics

1. Coding/Billing
   - Recovery Audit Contractors
     - National Expansion
   - Medicare Audit Contractors
   - MS DRG’s
     - Coding education and reviews; creative and cost effective methods for training staff involved in the revenue cycle
     - Financial ramifications
   - Clinical Documentation Programs
   - Specialty Coding
     - Interventional Radiology/Cardiology
   - Keeping up with the Jones’ s – Is your charge master up to date?

II. Hot Topics

1. Medicaid Enforcement
   - Medicaid Integrity Programs
   - Medicaid Integrity Contractors (MICs)
     - Audits, data mining, reporting tools, enforcement support
   - Creation of independent Medicaid Inspector General
   - State False Claims Acts
   - New Penal Statutes
II. Hot Topics

- Physician arrangements with hospitals
  - Challenges of physician/hospital alignment
  - Gain sharing
  - Arrangements with physician family members – who is monitoring this?
  - Information technology – what can/can’t be provided to physicians
  - Tracking physician non-incidental benefits, gifts, etc.

II. Hot Topics

- Clinical Trials
  - Research Compliance Coordinating Committee:
    - Environmental Health Safety Director
    - Health Care Enterprise Chief Compliance Officer
    - Legal Counsel – Research
    - Office of Research Integrity Director
    - Office of Sponsored Projects Administration Director
    - Research Faculty (3)
    - Center for Clinical & Translational Sciences Director
    - Division of Laboratory Sciences Director
    - Controller’s Office
  - Healthcare Operations Research Sub-Committee

II. Hot Topics

- Clinical Trials
  - Standard of Care vs. Research Billing
  - Software
II. Hot Topics

- Privacy & security
  - New rules
  - Identity theft
- Counterfeit
- Greater Oversight and Individual Penalties

II. Hot Topics

- Tax
  - Tax exempt
  - 990 reporting
- Policy Reviews by Board
- Transparency
- Governance Structure

II. Hot Topics

- Networking of peer compliance and privacy officers (similar size organizations)
Chronic Issues

- Coordination among CCO, GC and Internal Audit
  It’s a Big Sand Box…
  …room for all
  …play nicely with each other

Legal/Compliance/Internal Audit

- Complimentary disciplines, perspectives, responsibilities in support of Governance and Management
  - Enterprise Perspective and Analysis
  - Programmatic Operational Responsibilities
  - Investigative and Controls Improvement
  - Independence does not equate to “My Turf”

- Must Haves for Governance and Management
  - Clarity on roles and responsibilities of each function
  - Comfort that there is timely collaboration, coordination and communication
  - Transparency is required for internal and extends credibility of each function
  - See: “An Integrated Approach to Corporate Compliance” 2004
    http://oig.hhs.gov/fraud/docs/complianceguidance/Tab%204E%20Appendix-Final.pdf

Chronic Issues

Privileging Compliance and Internal Audit Matters

Going for Shelter!

- Privileging Compliance and Internal Audit matters
  - Can you do it? Subject to privilege?
  - Can you preserve it?
  - Waivers abound
  - Is it worth it?
Emerging Issues:

- Increased industry Consolidation: Management of Compliance Issues in Due Diligence and Post Close
- The Migration of the Responsible Corporate Officer Doctrine: Issues on the horizon for the CCO, GC, Management and Governance

Responsible Corp Officer Doctrine

- Responsible Corporate Officer Doctrine – Potential Government Application to Compliance Investigations and Settlements
- Issues: Effects on internal decision making process to avoid appearances of conflict
  - Representation Issues
  - Role of the Compliance Officer
  - Increased referral to outside counsel?
  - Are you a Responsible Corporate Officer?

Compliance Officer and Internal Politics

- Korn Ferry Report – March, 2013
  - (www.kornferryinstitute.com/reports-insights)
  - “More than a Top Cop: Chief Compliance Officers in health care need to be good with strategy and internal politics
- Article based upon interviews with 100 health care compliance executives
- Three leading challenges:
  1. Dealing with internal politics (48%)
  2. Keeping up with regulatory changes (37%)
  3. Dealing with physicians (15%)
III. Your Actual Case Studies and Scenarios

- One-third of the session is devoted to the presentation of live discussion of your actual case studies and scenarios

Examples of Discussion Topics:

- Approaches to Compliance Education in Complex Organizations; how do large systems organize and prioritize compliance education; HITECH Edu;
- Physician compensation arrangements; managing authorities and internal controls; the role of compliance in physician alignment strategies;
- Examples of Discussion Topics:
  - Managing medical device recalls;
  - Model practices, issues in coordination of internal audit, compliance and legal;
  - Structures and controls around enterprise risk assessments and management in large or diverse systems;
  - Topic(s) related to the 7 elements.
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Questions and Answers

Questions?