Compliance Officer Lessons Learned

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About CHS

- Community Health Systems, Inc. is one of the nation's leading operators of general acute care hospitals.
  - 206 hospitals with approximately 31,100 licensed beds
  - 29 states
  - 22,000 physicians (over 3,500 employed)
  - Over 130,000 employees
  - $20 billion in revenues

About Dignity Health

- One of the nation’s five largest health care systems
  - 21 States
  - 380 care centers (38 acute care hospitals)
  - 9,000 physicians
  - 55,000 employees
  - $10.5 billion net operating revenue
- Dedicated to providing compassionate, high-quality and affordable patient-centered care with special attention to the poor and underserved
  - $2 billion in charitable care
It Can Happen to the Best of Us

Both organizations have mature, sophisticated compliance programs in place
Excellent management and Board support
Good processes for assessing risk and addressing vulnerabilities
Exceptional compliance leadership – looked to as experts in the industry
Mission driven cultures

Lessons Learned – Program Agenda

› Structure
› Organizational alignment
› Key partnerships
› Risk assessment
› Influence
   › Having a seat at the table, even when you are not sitting at the table
Program Structure Provides the Foundation

- Compliance Program structure should:
  - provide sufficient expertise and resources in key risk areas to the local facilities and entities;
  - allow for alignment with local operations and fit with the size and complexity of each local entity;
  - align with key strategic initiatives (growth, clinical integration, new delivery models, etc.);
  - provide for proactive engagement;
  - drive formal and informal communication up and down the organization on key risks and program initiatives;
  - offer a platform for key partnerships (HR, Legal, Case Management, Security, Audit, Quality, etc.);
  - help address and minimize turf battles; and
  - support operational accountability.

Program Structure Provides the Foundation

- Control and resource deployment
  - Corporate
    - Expertise, special skill sets, executive management and Board oversight
    - Standardization
    - Big picture
    - Regional
    - Closer alignment with strategy and market needs
    - Coordinated standardization with some autonomy
    - Facility or Clinic
    - Closer alignment with operations
    - Nimble
    - Closer relationships with key management partners
  - Compliance program structure should leverage other key functions (HR, Legal, Case Management, Quality, Risk, etc.)
  - Same considerations for smaller entities

Dignity Health Compliance Program Structure

- Executive Leadership
  - CHF Medical Director
  - Chief Partners
  - Other Entities

- Service Area Executive
  - CHA Compliance
  - CHA Compliance Officer
  - ADC
  - Area Compliance
  - (Area/Co-CO)
  - Other

- Facility or Clinic
  - FPO
  - EHR

- Compliance Analyst
  - Compliance Specialist

- Senior Area Compliance Director
  - Senior Area Compliance Director

- Area
  - Area Compliance Director
  - Area Compliance Officer

- Senior
  - Senior Compliance Officer

- Director
  - Director of Compliance

- Executive Coordinator
  - Minimum FTE 1.0 FTE
Organizational Alignment

Key Lessons - Operations
- Compliance should have a keen understanding of operational pressures and corresponding risks
- Compliance should support effective and efficient operations rather than be a barrier
- Education deployment
- Privacy assessments
- Policy development and dissemination
- Auditing activity and development of corrective actions
- There should be significant communication with Executive Management, Chief Operating Officer and other key operators
- Devise compliance metrics to drive accountability in operations
- Use service metrics to show how compliance supports operations

Organizational Alignment

Key Lessons - Strategy
- Compliance needs to be closely aligned with strategy
- Growth Initiatives
- Acquisitions and Divestiture
- New Delivery Models (ACO’s, Bundled Payment, post acute care transitions, medical homes, etc.)
- Joint ventures
- Clinical integration
- Due Diligence
- Proactive risk analysis and built-in safeguards and internal controls
Partnerships

Compliance should form proactive relationships with leadership at all levels of the organization.

- CEO and COO – to understand company goals and initiatives
- Division/Regional leadership – each geographic area has unique challenges
- Quality – Quality of care and new payment methodologies require quality to be a significant component of compliance
- Human Resources – to work through performance issues related to compliance/privacy as well as to support compliance training goals

Partnerships

- Health Information and Patient Financial Services – to support the auditing and monitoring functions and to encourage proactive reporting of concerns
- Legal – for collaboration on investigations or initiatives which may require privilege or external counsel assistance
- Clinical support leaders – to understand current initiatives such as the addition of new service lines and for subject matter expertise
- External consultants
- JV Partners
- Vendors

Risk Assessment

- Risk Identification
- Risk Assessment and Prioritization
- Work Plan Development
- Reassessment
Risk Identification

- Internal
  - Interviews
  - Questionnaires
  - Audit findings
  - Hotline trends
  - Denials
- External
  - CIA’s
  - OIG Work Plan
  - OIG/OAS Compliance Reviews
  - MAC/ZPIC/RAC letters

Risk Assessment

- Impact
  - Legal
  - Financial
  - Reputational
  - Operational
  - Strategic
- Vulnerability
  - Frequency
  - Rate of Change
  - Complexity
- Controls
Work Plan Development

- Understand organizational risk tolerance
  - Set tolerance thresholds for each assessment
- Engage the organization in the plan (you don’t need to do everything)
  - Consider your Compliance Committee
- Resource and budget constraints
  - Assess the workload and determine feasibility of external versus internal audit
- Board and operational approval
  - Obtain the buy-in from compliance oversight leadership

Reassessment

- Utilize internal or external benchmarks
- Document failures and obtain agreement with audit results (reconciliation period)
- Ensure overpayments are reported and refunded within 60 days of identification
- Deploy training and education and/or policies and procedures
- Re-audit to measure effectiveness of actions
- Report results to compliance oversight committee and subject matter experts

Influence

- Ensure your sphere of influence includes all areas of the organization (all lines of business)
- Demonstrate that no issue is insignificant
- Talk to people across the organization
- Be visible
- Learn the company strategies/initiatives and proactively research and communicate risks in those areas
- Offer tools and resources to maintain compliance
- Provide positive reinforcement
Let’s Talk About Skill Set

- EQ vs IQ
  - Can you own the room?
  - Do you have courage of conviction?
  - Do you have great communication skills – especially active listening?
  - Can you change language, tone, pitch to suit audience?
  - Can you read people?

- Top Ten Skills List
  - Visibility
  - Rapport
  - Transparency
  - Impose Rigor
  - Role Model
  - Don't Overstep Your Role
  - Analytical and Objective
  - Poter Face
  - Informal Power
  - Humility

Diagram:

Influencing  
Collaboration  
Credibility/Rigor  
Communication  
Measured  
Modeling
Influencing

Communication
- EQ vs. IQ
- Marketing the 7 Elements
- KISS
- Control the Tone...
- Direct the Conversation

Modeling
- Leadership Counts
- Leadership Shadow
- Role Model
- Moral High Ground

Measured
- Poker Face
- Remain Curious
- Glass is Half Full
Guiding Principles

- Compliance program translates values into actions
- Business operational leaders are responsible for compliance
- Develop a strategy for effective compliance and support business leaders in implementing that strategy
- Regulatory relationships are fundamental for our organization’s success
- Create clear accountability around compliance and foster open, honest and clear communications about our outcomes