

HCCA



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Meet

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Letter from the CEO

Roy Snell

**Some use the carrot. Some use the stick.
I prefer a tomato.**

Making a big deal over the little things

I am a hard-liner. I am at odds with some people who want everything to go well by asking people to do the right thing. Many people want to emphasize the carrot over the stick. My point is that not ALL people respond to that. My guess is that 98% of all people may respond to it; however, it's the remaining 2% who are the real problem. In some companies, the ethical environment deteriorates so badly that the percentage of people crossing the line may be much higher. Anybody with a good ethics program probably will have a percentage of people doing the right thing that is much closer to 100%. However, I think that without the stick, you rarely get everyone on board.

Compliance is here because those who came before failed. They failed because asking people to do the right thing doesn't work for everybody. People didn't like confrontation. We are here to be tough. We are expected to say "The buck stops here" — even if it's hard or unpopular. By definition, that is what separates us from those who fail. However...

I regret that I am not in agreement with everyone. I would rather agree. I want to get along. However, I realize something: I rarely punish people. I rarely use the stick. I didn't use it in 30 years of management, nor in my time as a compliance officer. Even though I espouse toughness, I am not that tough. Rather, I am kind of a constant pain in the neck. I can have a hard-line effect without being a hard-liner. What I do is send a message. If someone cheats or makes a mistake or does something wrong, I am right there to say, "That's not right." I let them know that it's not tolerated. Most people respond immediately without a big whooping. More importantly, I send messages all the time about what is important. I make a big deal out of the little things so that people understand that a bigger thing would result in a greater degree of punishment. It's fussing over the little things that keeps people from making the more serious mistakes.

It is somewhat counterintuitive. There is a tendency to let the little things go and only object to the big things. It makes sense to many, but it's just wrong. I have my cake and eat it too, because I challenge the little things. People don't put me in a difficult position very often, because they understand that it will be dealt with. If I didn't pay attention to the little things, I would have to be tougher.

I can be resolute without being really tough. The people who like to use carrots don't think that threatening people works. They don't think punishment works. They believe that rewarding and encouraging people works. And it does work for many people, but not all. Unfortunately, it gives the impression that you won't take action and it gives some people the idea that they may be able to get away with a more serious offense.



**I prefer to throw a tomato on
occasion. It doesn't kill
anybody, but it leaves a stain.**

Another way people might describe the philosophy I use is: establishing the tone at the top, or "practice what you preach." What that means is that we fuss over the little things. We don't fudge a little on expenses. We don't make exceptions to the policy (we may rewrite it if it's wrong). People don't do what you say—they do what you do. If you persistently stop and address the little problems, there will be fewer big ones. I have the same impact with my "stick" as those with the carrot. In fact, I think I have fewer big problems. It is theoretically correct to say, "Use rewards." The academics would much rather teach ethics than be hard-liners. It would be nicer if it worked. The world would be a better place if it worked. Unfortunately, it doesn't work for about 2% of the people, and that's a serious problem, because 2% of the people cause the significant problems.

When running your compliance program, I would not only advise fussing over the little things, I would look frantically for them. I would make a lot of noise when you find a little problem. I would gather people around and say "I have found this and I don't like it." Try not to smirk. You will find yourself laughing internally on occasion. They are looking at you like you're overreacting. What you are doing is taking the easy way out. You are letting them know subconsciously that you're taking exception to the little things, so that you don't have to end up with a really serious disciplinary situation. Use the carrot and you will eventually have to use a big stick on someone. I prefer to throw a tomato on occasion. It doesn't kill anybody, but it leaves a stain. I think it works better than the carrot or the stick. ■