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Professional,
SJHMC/DH

**Session 309 Risk: A Fundamental 4-Letter Word for
Compliance Professionals**



Break down risk into its fundamental components to better align mitigation activities or strategies

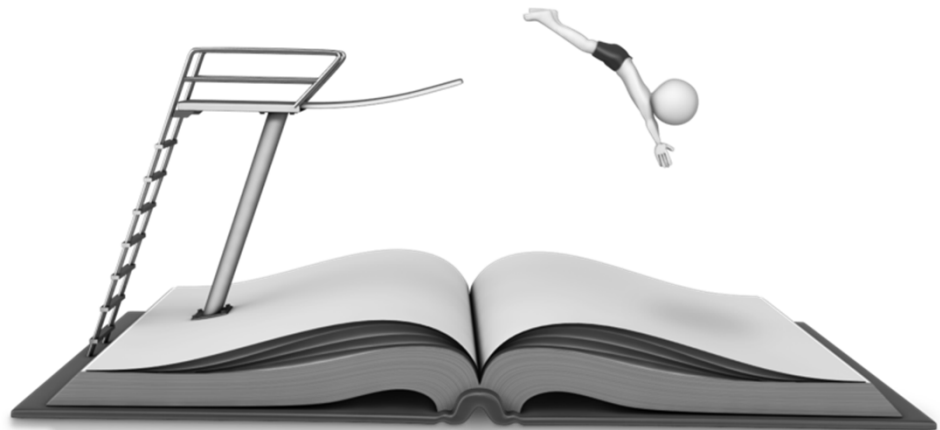
Compare and contrast qualitative and quantitative approaches to assessing risk

How other program elements (auditing and monitoring) provide information on risk management

2



3



Ready or not...here we go!

4



Which do you think represents the highest risk?

- A. OCR HIPAA Audit
- B. Complaint investigation by OCR
- C. Ransomware attack

6



Let's set some
context and
give people a
chance to find
another
session.



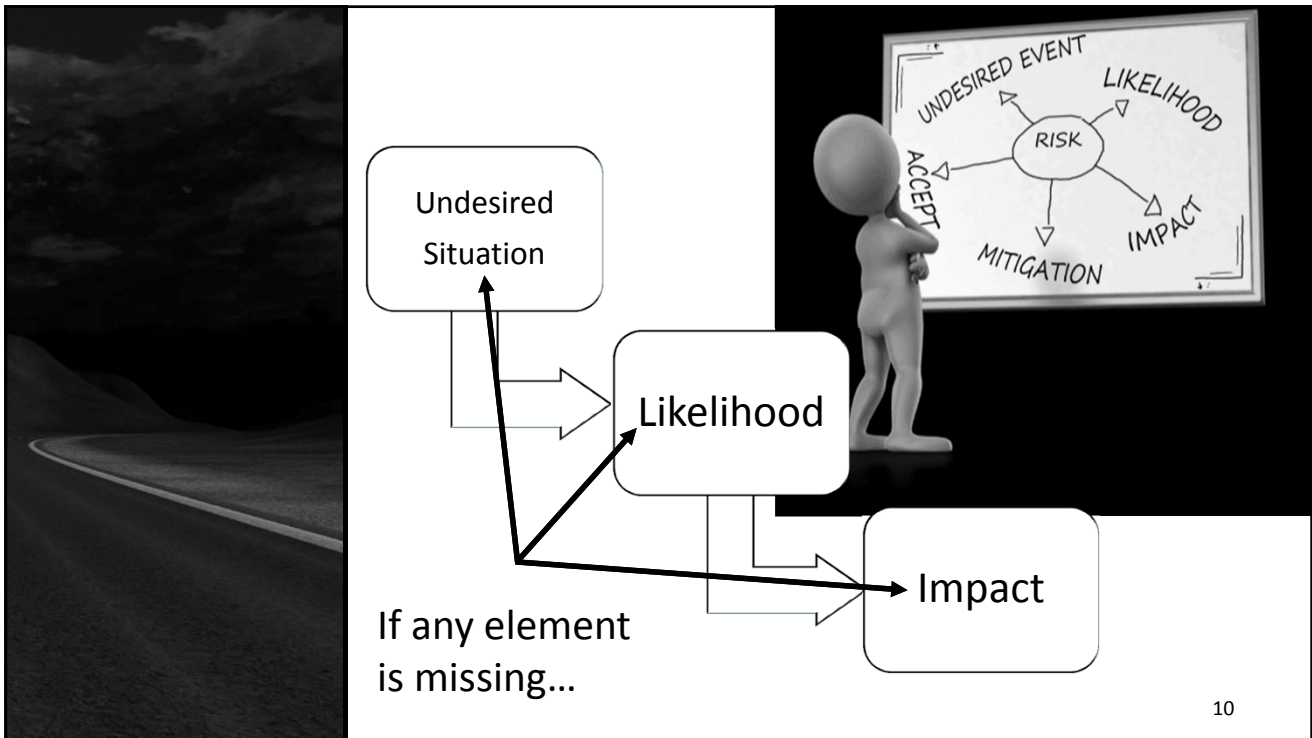
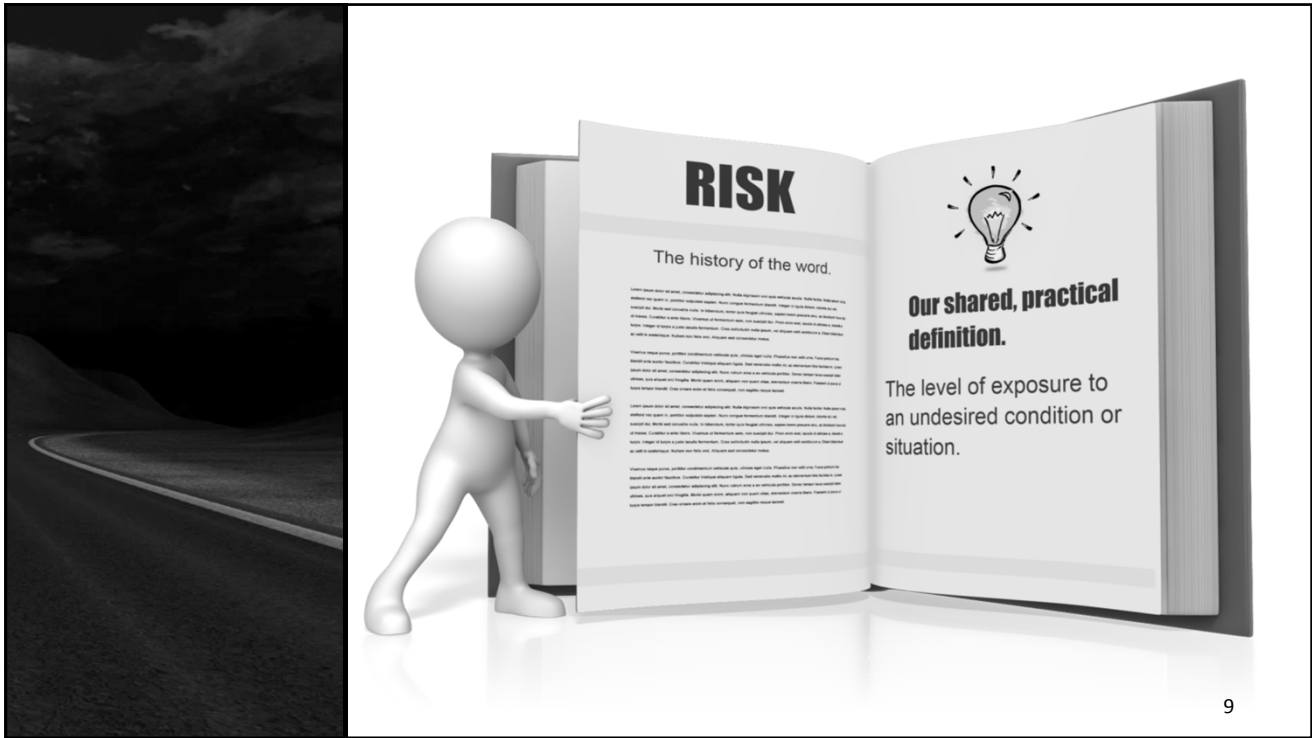
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Who is from an organization
where HIPAA applies?

- A. Healthcare Provider
- B. Health Plan
- C. Clearinghouse
- D. Business Associate*

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Undesired
Situation

12



“Something” we
would prefer not
happen.

13



Undesirable Situation

What is the risk of losing your money in Las Vegas?



What is the risk of hitting a jackpot in Las Vegas???

Wait a minute...



this isn't undesirable?

14



Undesirable Situation

What is the risk of losing your money in Las Vegas?



Hey buddy...what's this????

15



Undesirable Situation

What is the risk of winning a jackpot in Las Vegas?



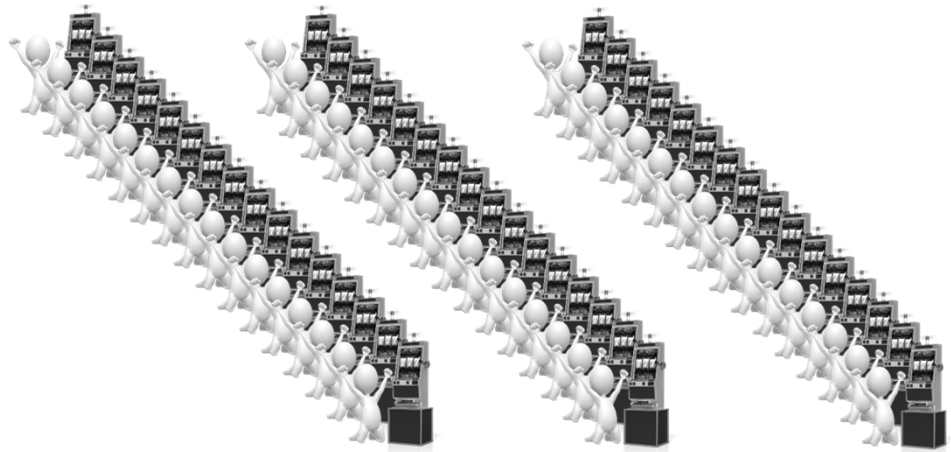
That's more like it!

16



Undesirable Situation

What is the risk of winning a jackpot in Las Vegas?

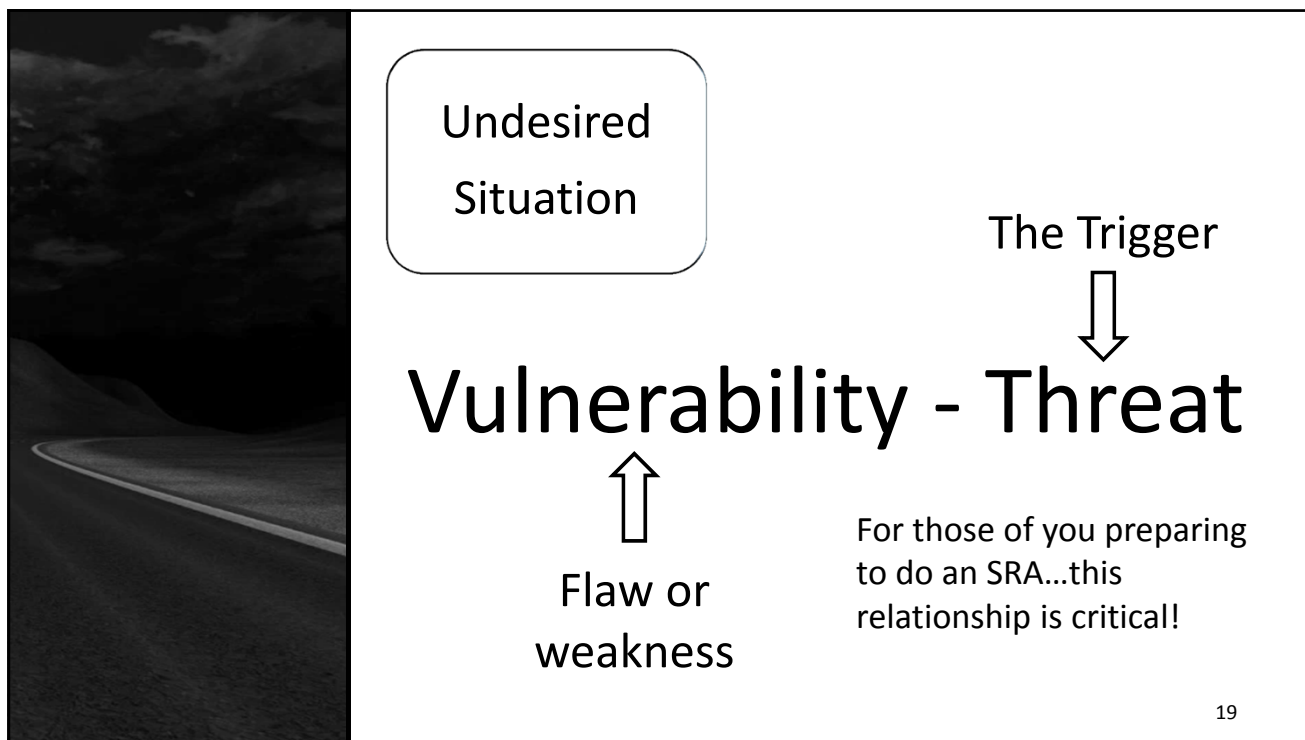



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Aria Resort, Las Vegas, NV April 15-18, 2018




Undesired Situation = Successful Ransomware Attack

Most likely cause?

- A. Clicking on links or attachments
- B. Using an “infected” USB device
- C. Download from website



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Likelihood

21



Will “something”
happen?

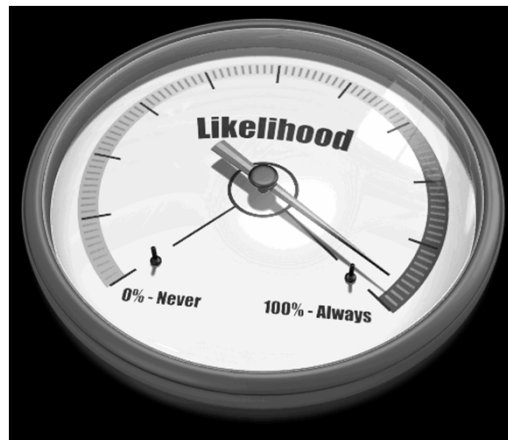
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Likelihood

Top synonyms:

- Possibility
- Probability
- Chance



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Likelihood

Chance that what ~~is~~ identified will happen?

- A. Low
- B. Medium
- C. High



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Impact

25



What we need to
deal with when
“something”
happens.

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Impact

Often described on some type of continuum or scale.


Nothing to worry about We've got some issues Ruin our day

Challenge

27



Fundamental Relationships

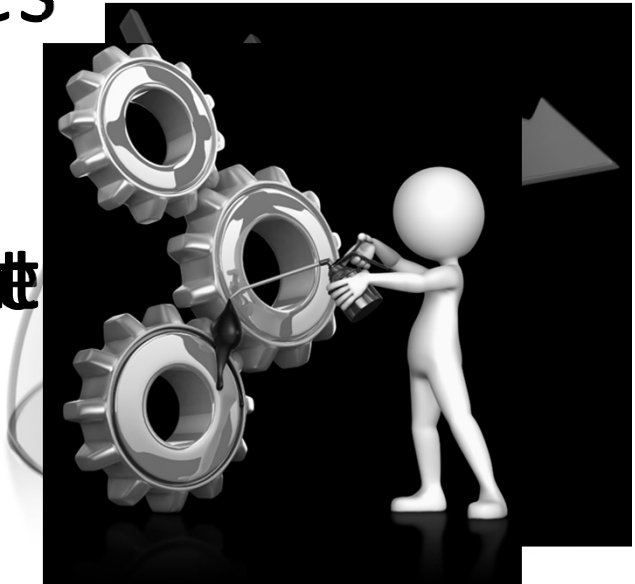


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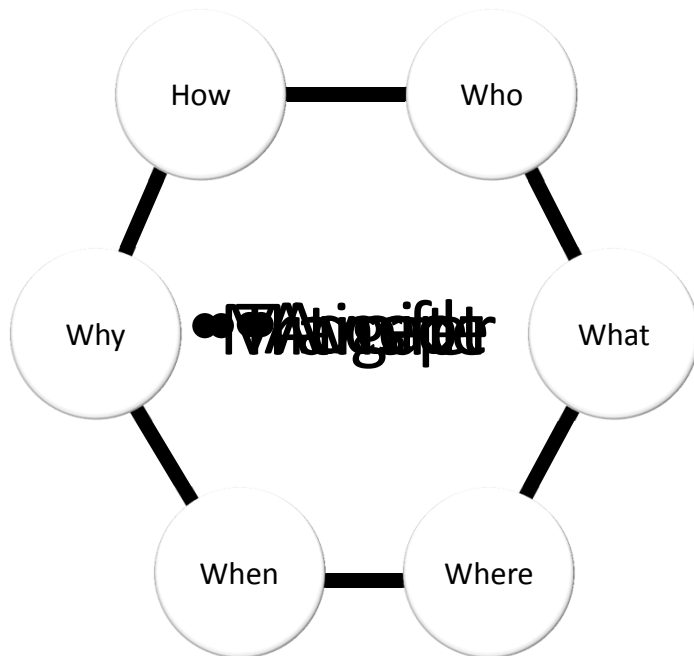


Choices

- **Wright**



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Qualitative vs Quantitative

31



Quality vs Quantity

32

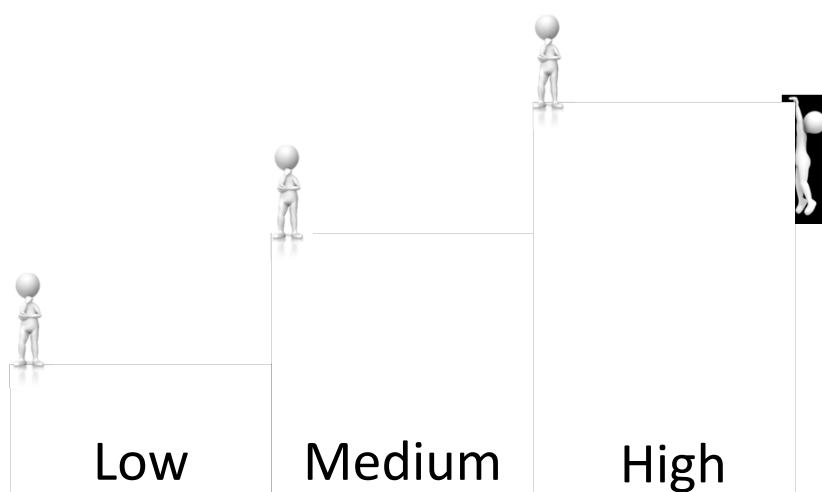


Quality (rating) vs Quantity (value)

33



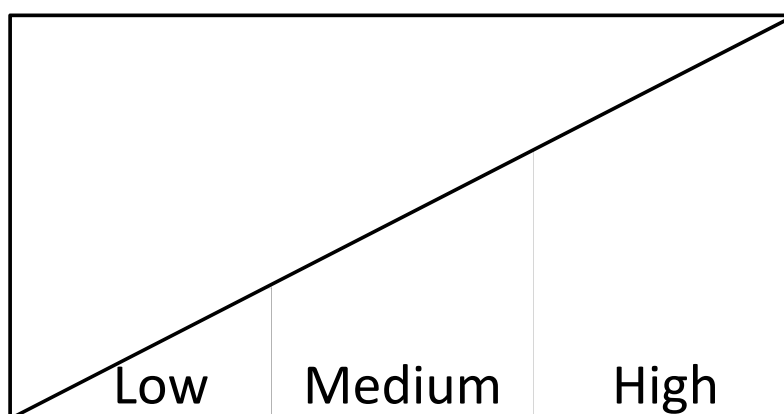
Qualitative



34



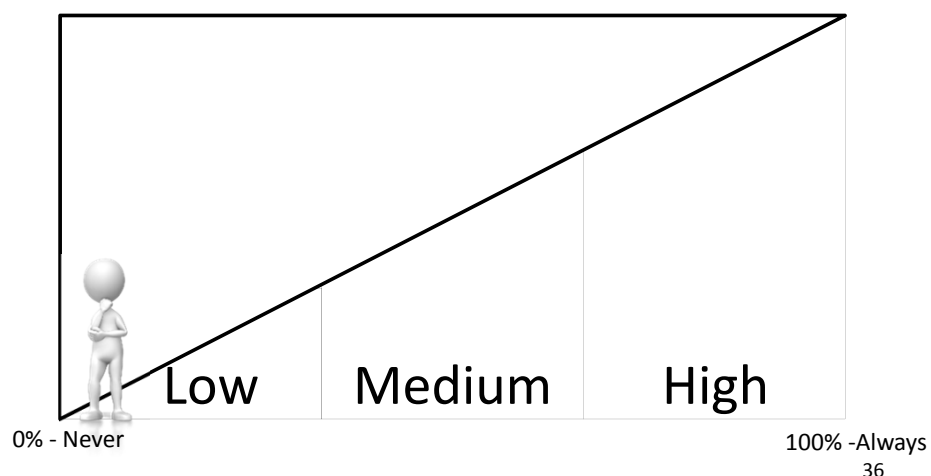
Quantitative



35

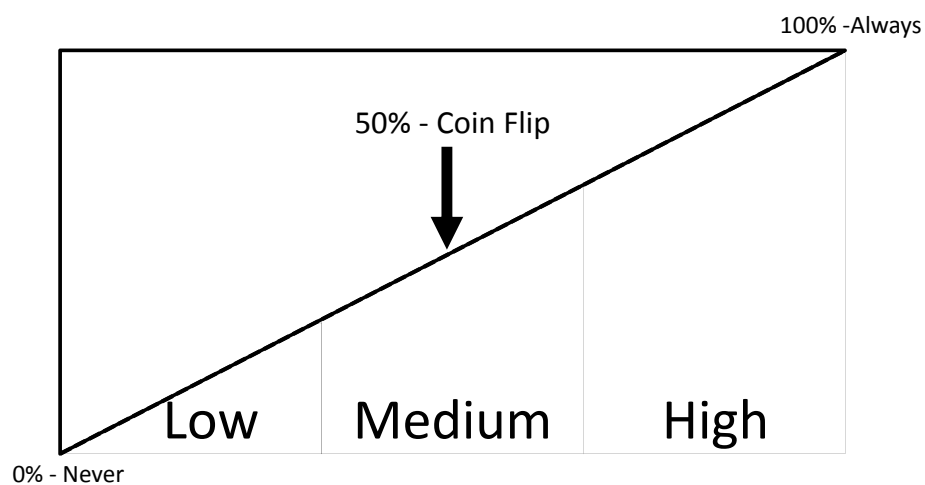


Quantitative



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Quantitative



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Auditng & Monitoring

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Auditing & Monitoring

Where would you rate overall effectiveness of the A&M element?

- A. High (1st, 2nd)
- B. Medium (3rd, 4th, 5th)
- C. Low (6th, 7th)

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Auditing & Monitoring

How many samples do you need for a probe audit as described by CMS?

- A. 20
- B. 30
- C. 40

40



Auditing & Monitoring

Reasons to audit:

- Required by regulations
- Required by P&P
- By choice*

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Auditing & Monitoring

Reasons to audit:

- Required by regulations
- Required by P&P
- By choice*

42



Auditing & Monitoring

Reasons people audit (or not):

- FEAR
 - Familiar
 - Experience
 - Assess
 - Results
- Let's see how we can apply this to the Compliance Program...

43



Written Policies and Procedures

44



Designation of a Compliance Officer and a Compliance Committee

45



Conducting Effective Training and Education

46



Developing Effective Lines of Communication

47



Enforcing Standards Through Well-Publicized Disciplinary Guidelines

48



Auditing and Monitoring

49



Responding to Detected Offenses and Developing Corrective Action Initiatives

50



Written Policies and Procedures

- Tangible – “get your hands on them”
- Binomial state
- Possible e-strateg
- Meaningful
 - Regulations
 - Organization
 - Processes
 - Assistance



Written Policies and Procedures

- Standards of Conduct
- Risk Areas (18 call outs)
- Claims Development and Submission Process
- Medical Necessity – Reasonable Services
- Anti-Kickback and Self Referral
- Bad Debt
- Credit Balances
- Retention of Records
- Compliance as an Element of Performance



Written Policies and Procedures

- Standards of Conduct
- Risk Areas (18 call outs)
- Claims Development and Submission Process
- Medical Necessity – Reasonable Services
- Anti-Kickback and Self Referral
- Bad Debt
- Credit Balances
- Retention of Records
- Compliance as an Element of Performance

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Risk Areas

- Billing for items or services not actually rendered;
- Providing medically unnecessary services;
- Upcoding;
- “DRG creep;”
- Outpatient services rendered in connection with inpatient stays;



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Risk Areas

- Teaching physician and resident requirements for teaching hospitals;
- Duplicate billing;
- False cost reports;
- Unbundling;
- Billing for discharge in lieu of transfer;



55



Risk Areas

- Patients' freedom of choice;
- Credit balances—failure to refund;
- Hospital incentives that violate the anti-kickback statute or other similar Federal or State statute or regulation;
- Joint ventures;



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Risk Areas

- Stark physician self-referral law;
- Knowing failure to provide covered services or necessary care to members of a health maintenance organization; and
- Patient dumping.
- Financial arrangements between hospitals and hospital-based physicians;



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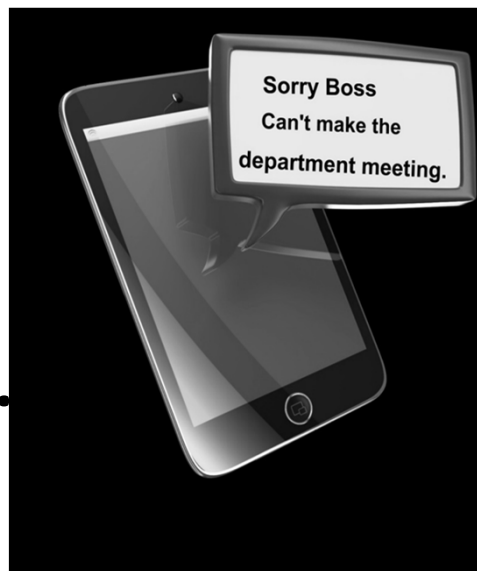


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Communication

Can't
make
meeting.



Communication

Which of the following would you
perceive as the most favorable reply?

- A. ok
- B. 😊
- C. 👍



Mitigation

Let's talk about safeguards.

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Mitigation

Let's talk about safeguards.

Administrative Safeguard

Example:
Policy and Procedure

62



Mitigation

Let's talk about safeguards.

Administrative Safeguard

Technical Safeguard

Example:
Login and Password

63



Mitigation

Let's talk about safeguards.

Administrative Safeguard

Technical Safeguard

Physical Safeguard

Example:
Doors and Locks

64



Mitigation

Let's talk about safeguards.

Administrative Safeguard

Technical Safeguard

Physical Safeguard

65



Mitigation

Apply resources where most effective.

66



Mitigation

Apply resources where most effective.

High Risk → Mitigation → High Risk

67



Mitigation

Apply resources where most effective.

High Risk → Mitigation → High Risk

High Risk → Mitigation → Medium Risk

68



Mitigation



Apply resources where most effective.

High Risk → Mitigation → High Risk

High Risk → Mitigation → Medium Risk

High Risk → Mitigation → Low Risk

69



Thank you
for
attending
session
309!

70



The odds of getting struck by lightning during the year?

- A. 1 in 70,000
- B. 1 in 700,000
- C. 1 in 7,000,000



Welcome to session 309...we will begin shortly.



The odds of getting struck by lightning during the year?

- A. 1 in 70,000
- B. 1 in 700,000
- C. 1 in 7,000,000



Welcome to session 309...we will begin shortly.



The odds of getting attacked by a shark worldwide?

- A. 1 in 5,000,000
- B. 1 in 10,000,000
- C. 1 in 15,000,000

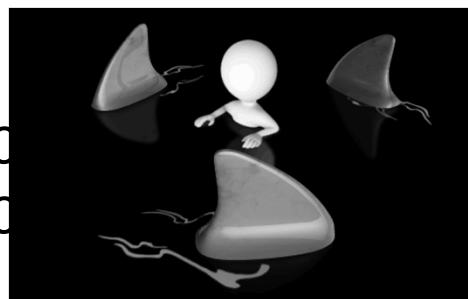


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The odds of getting attacked by a shark worldwide?

- A. 1 in 5,000,000
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Welcome to session 309...we will begin shortly.



The odds of being killed in an elevator?

- A. 1 in 10,000,000
- B. 1 in 20,000,000
- C. 1 in 30,000,000



Welcome to session 309...we will begin shortly.



The odds of being killed in an elevator?

- A. 1 in 10,000,000
- B. 1 in 20,000,000
- C. 1 in 30,000,000



Welcome to session 309...we will begin shortly.



The odds of winning the Powerball lottery?

- A. 1 in 100,000,000
- B. 1 in 200,000,000
- C. 1 in 300,000,000



Welcome to session 309...we will begin shortly.



The odds of winning the Powerball lottery?

- A. 1 in 100,000,000
- B. 1 in 200,000,000
- C. 1 in 300,000,000

POWERBALL
DRAW ENTRY CLOSING AT 7PM WED & SAT

Prize	Winning Numbers	Prize Amount
Jackpot	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	\$100,000,000
Second Prize	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	\$50,000,000
Third Prize	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	\$25,000,000
Fourth Prize	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	\$10,000,000
Fifth Prize	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100	\$5,000,000

Welcome to session 309...we will begin shortly.



The odds of an average golfer making a hole in one?

- A. 1 in 9,000
- B. 1 in 12,000
- C. 1 in 15,000

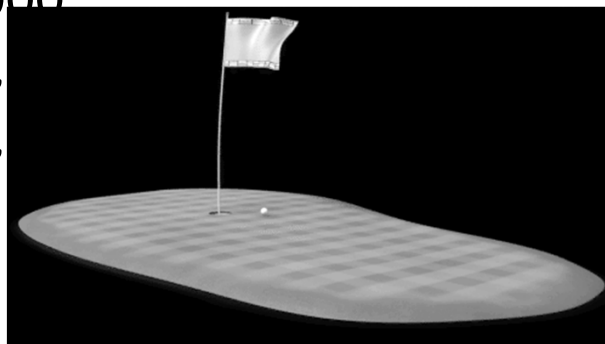


Welcome to session 309...we will begin shortly.



The odds of an average golfer making a hole in one?

- A. 1 in 9,000
- B. 1 in 12,
- C. 1 in 15,



Welcome to session 309...we will begin shortly.



The odds of getting blackjack?

- A. 5%
- B. 10%
- C. 25%



Welcome to session 309...we will begin shortly.



The odds of getting blackjack?

- A. 5%
- B. 10%
- C. 25%



Welcome to session 309...we will begin shortly.



The odds of flipping a nickel and it landing on it edge?

- A. 0.16%
- B. 0.016%
- C. 0.0016%



Welcome to session 309...we will begin shortly.



The odds of flipping a nickel and it landing on it edge?

- A. 0.16%
- B. 0.016% (1 in 6,000)
- C. 0.0016%



Welcome to session 309...we will begin shortly.