**Case Study 2: Navigating Enforcement Action, Investigations, and Settlements**

**“Big Little Hospital”**

In a major city a small hospital grew into a major academic research hospital in a very short time period. The hospital’s location, size and focus changed in what many would consider “overnight”. As expected with rapid growth and change there are some areas that do not develop at the necessary pace or reliance on old habits is more comfortable than adapting to new demands and requirements of the “new” business.

“The Hospital” was founded in a home in the late 1800s to serve the needs of children needing medical care. For years The Hospital was located in a residential neighborhood and met the needs of the local community. While providing excellent care the hospital developed a family like atmosphere for patients, their families and the staff. Seven years ago “The Hospital” relocated into a state of the art facility located in the center of downtown. That move transformed the hospital into a three hundred plus bed facility. A small family like hospital had suddenly become a major pediatric specialty facility known for caring for complex patients and academic research. The once local hospital was now serving patients throughout the United States as well as patients from more than fifty countries.

The Hospital had acquired many of the necessary elements to run a major hospital of this nature. Staff, technology and resources were enhanced to meet the new demands. There was necessary focus on enhancing clinical practices, procedures and resources to ensure excellent quality of care. Development of non-clinical areas was not as rapid and there was a reliance on established practices and procedures that no longer met the needs of the “new” environment.

One of the areas that required development to meet the new demands was the compliance programs. The compliance program existed but did not function in the manner that it should considering how complex the organization had become. Some common themes were:

* We come to compliance when we need to or have a question
* We have always done it this way and it worked
* What’s the likelihood “that” would happen?
* What are the possible fines? *and* Will they investigate?
* There just isn’t enough time for compliance on the agenda

Some questions to consider are:

1. What are the potential pitfalls of some of the above behaviors?
2. What is the role of compliance in addressing necessary cultural and operational adjustments?
3. What role does the Compliance Officer play in responding to and working with enforcement agencies?
4. What can a Compliance Officer do to help prevent an organization from going down the path of significant enforcement action(s)?