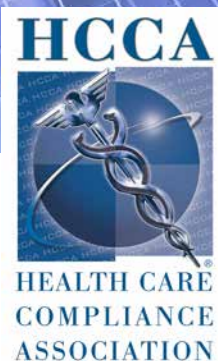


Staffing and Budget Benchmarking Guidance Survey

June 2016



Health Care Compliance Association
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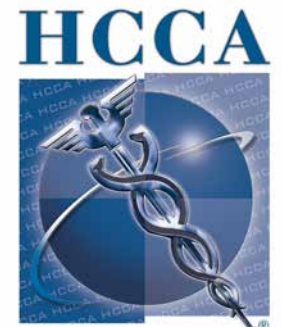
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BACKGROUND

In 2015 the Health Care Compliance Association (HCCA)[®] conducted a comprehensive survey of compliance professionals in order to create a salary survey. The survey looked at salaries in relation to measures such as size of company (in revenues and employees) as well as compliance budget and ownership structure.

HCCA recognized that there would be an opportunity to reuse the data to create benchmarks for staffing and budget. The association then worked with the research provider to create the following report, which repurposes the salary survey data.

USING THIS REPORT

On the following pages are a series of data tables that can be used to benchmark compliance program budgets and staffing by several factors. As you review the data keep in mind that this data should be considered directional in nature. Different companies of the same size will likely have very different histories in terms of compliance issues and risks.

SURVEY DATA

Compliance department staffing levels are remarkably consistent for organizations with \$500 million or less in revenues. For all of the sub-\$500 million breakouts of revenues, at least 65% of survey respondents have departments of 5 persons or less and most typically 2 to 5 people. Even for divisions of \$500 million to \$1 billion in revenues, the majority had 5 people or less in the compliance department.

Members of Compliance & Ethics Group by Revenue of Portion of Organization Compliance Group Serves

	Employees in compliance and ethics group								
	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	> 50
Healthcare									
Less than \$5 million	28.5%	42.4%	9.5%	7.0%	6.3%	1.3%	1.9%		3.2%
\$5 to \$15 million	33.1%	45.0%	14.2%	2.4%	1.8%	1.2%	.6%		1.8%
\$15 to \$30 million	32.5%	48.7%	12.0%	2.6%	2.6%	.9%	.9%		
\$30 to \$50 million	29.1%	49.5%	7.8%	5.8%	2.9%	1.0%	1.9%		1.9%
\$50 to \$100 million	22.6%	51.6%	15.3%	4.8%	2.4%	.8%			2.4%
\$100 to \$500 million	19.3%	45.5%	22.2%	6.3%	4.0%	1.1%	1.1%	.6%	
\$500 million to \$1 billion	8.6%	43.0%	22.6%	7.5%	11.8%	2.2%	2.2%		2.2%
\$1 to \$3 billion	3.5%	19.6%	28.0%	17.5%	12.6%	11.9%	2.8%	1.4%	2.8%
Over \$3 billion	2.9%	8.7%	10.7%	11.7%	24.3%	8.7%	4.9%	8.7%	19.4%

This chart can be read as follows: For compliance departments serving a \$5 million in revenues or smaller division of an organization, 28.5% had just one person on the compliance team for that division, while 42.4% had 2 to 5 people.

When looking at compliance staffing by revenues of the organization as a whole, the picture is very similar. Not until revenues exceed \$1 billion do compliance departments tend to have more than 5 members.

Members of Compliance & Ethics Group by Revenue of Organization as a Whole

	Employees in compliance and ethics group								
	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	> 50
Healthcare									
Less than \$5 million	36.3%	42.9%	8.8%	4.4%	3.3%		1.1%		3.3%
\$5 to \$15 million	31.4%	46.9%	14.9%	3.4%	1.7%	.6%	.6%		.6%
\$15 to \$30 million	31.1%	48.7%	16.0%	2.5%	.8%		.8%		
\$30 to \$50 million	29.5%	49.5%	7.6%	5.7%	2.9%	1.0%	1.9%		1.9%
\$50 to \$100 million	23.9%	50.5%	15.6%	4.6%	4.6%				.9%
\$100 to \$500 million	21.1%	48.8%	18.7%	6.0%	2.4%	1.2%	1.8%		
\$500 million to \$1 billion	9.6%	46.8%	25.5%	6.4%	7.4%	1.1%	1.1%		2.1%
\$1 to \$3 billion	5.7%	22.2%	28.5%	13.3%	12.0%	11.4%	1.9%	1.9%	3.2%
Over \$3 billion	3.7%	16.0%	11.0%	11.0%	22.7%	9.8%	3.7%	5.5%	16.6%

For divisions with 4,999 employees or less, more than half of compliance departments consisted of 5 employees or less. But, as division revenues exceed that size the size of the compliance department increases rapidly.

Members of Compliance & Ethics Group By Employees in Portion of Organization Compliance Group Serves

	Employees in compliance and ethics group								
	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	> 50
Healthcare									
Less than 100	18.8%	41.4%	15.5%	6.6%	5.0%	3.9%	3.3%	2.2%	3.3%
100-249	50.0%	33.0%	8.9%	2.7%	1.8%				3.6%
250-499	32.2%	53.9%	7.8%	1.7%	.9%	.9%			2.6%
500-999	43.0%	50.5%	4.3%	1.1%					1.1%
1,000-1,999	26.2%	50.0%	11.0%	5.5%	4.9%		.6%		1.8%
2,000-2,999	14.7%	52.0%	20.6%	4.9%	4.9%	2.0%	1.0%		
3,000-4,999	10.2%	54.6%	23.1%	7.4%	3.7%	.9%			
5,000-7,499	4.3%	37.1%	34.5%	8.6%	8.6%	.9%	3.4%	.9%	1.7%
7,500-9,999	4.4%	31.1%	17.8%	22.2%	8.9%	8.9%			6.7%
10,000-14,999	2.8%	13.9%	38.9%	11.1%	13.9%	13.9%	2.8%		2.8%
15,000-19,999		8.3%	36.1%	16.7%	25.0%	8.3%	5.6%		
20,000-29,999	4.2%	8.3%	10.4%	18.8%	31.3%	12.5%	8.3%	2.1%	4.2%
30,000-49,999		7.4%	7.4%	14.8%	22.2%	14.8%	18.5%	7.4%	7.4%
50,000-74,999		11.1%	11.1%		33.3%	22.2%	5.6%	5.6%	11.1%
75,000-99,999			20.0%		20.0%				60.0%
100,000 or more	7.1%				7.1%	7.1%		21.4%	57.1%

Once again, the staffing of the compliance department tends to be 5 persons or less when organizations have less than 5,000 employees. Beyond that point, though, the numbers show a marked increase as employee population grows.

Members of Compliance & Ethics Group By Employees in Organization as a Whole

	Employees in compliance and ethics group								
	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	> 50
Healthcare									
Less than 100	39.3%	44.6%	10.7%	1.8%	1.8%				1.8%
100-249	49.5%	39.4%	8.3%	.9%	.9%		.9%		
250-499	34.8%	54.8%	7.8%	1.7%					.9%
500-999	30.9%	54.4%	9.6%	2.9%					2.2%
1,000-1,999	30.8%	51.7%	9.8%	3.5%	1.4%		2.1%		.7%
2,000-2,999	14.4%	52.9%	22.1%	2.9%	5.8%	1.0%	1.0%		
3,000-4,999	11.2%	53.4%	20.7%	9.5%	1.7%	2.6%			.9%
5,000-7,499	7.9%	37.0%	30.7%	7.9%	12.6%	.8%	1.6%		1.6%
7,500-9,999	5.0%	30.0%	20.0%	25.0%	7.5%	10.0%			2.5%
10,000-14,999	4.1%	22.7%	37.1%	9.3%	10.3%	10.3%	4.1%		2.1%
15,000-19,999	1.8%	10.9%	38.2%	20.0%	18.2%	5.5%	3.6%		1.8%
20,000-29,999	2.9%	19.1%	11.8%	19.1%	33.8%	4.4%	7.4%		1.5%
30,000-49,999	3.4%	24.1%	6.9%	12.1%	13.8%	12.1%	12.1%	5.2%	10.3%
50,000-74,999	7.1%	10.7%	14.3%	14.3%	17.9%	14.3%	7.1%	3.6%	10.7%
75,000-99,999	7.1%	7.1%	21.4%		14.3%	14.3%		7.1%	28.6%
100,000 or more	5.8%	15.4%	13.5%		9.6%	13.5%		13.5%	28.8%

Compliance staffing in the Academic sector is markedly higher than in others. While non-profits, privately held, publicly traded and governmental entities reported compliance staffs of 5 people or less for the vast majority of programs, 72% of respondents from the Academic sector reported compliance departments of 6 people or more.

Members of Compliance & Ethics Group By Organization Type

	Employees in compliance and ethics group								
	1	2 to 5	6 to 10	11 to 15	16 to 20	21 to 30	31 to 40	41 to 50	> 50
Healthcare									
Organization type									
Nonprofit	35.8%	41.7%	11.0%	3.9%	4.4%	1.6%	.2%	.2%	1.1%
Privately held	36.0%	46.0%	10.1%	3.6%	2.9%		.7%	.7%	
Publicly held	28.0%	32.0%	16.0%	8.0%			4.0%	4.0%	8.0%
Governmental	35.1%	43.2%	10.8%	5.4%		2.7%			2.7%
Academic	12.0%	16.0%	32.0%	12.0%	8.0%	12.0%	4.0%		4.0%
Other	50.0%	30.0%		10.0%					10.0%

Division revenues and compliance budgets are very closely related. As revenues rise, compliance budgets appear to quickly rise with them. For example, 63% of respondents from divisions with \$5 to \$15 million in revenues reported compliance budgets for their division of less than \$100,000. By the time the division revenues were \$30 to \$50 million, just 38% reported a budget at that low level.

Compliance Budget By Revenues of Portion of Organization Compliance Group Serves

	Compliance Budget				
	Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1 Million or more
Healthcare					
Less than \$5 million	58.3%	10.4%	10.4%	2.1%	18.8%
\$5 to \$15 million	63.2%	20.6%	10.3%	2.9%	2.9%
\$15 to \$30 million	58.2%	16.4%	20.0%	3.6%	1.8%
\$30 to \$50 million	38.3%	31.9%	14.9%	10.6%	4.3%
\$50 to \$100 million	29.0%	32.3%	24.2%	9.7%	4.8%
\$100 to \$500 million	23.3%	11.1%	28.9%	23.3%	13.3%
\$500 million to \$1 billion	10.3%	17.9%	12.8%	35.9%	23.1%
\$1 to \$3 billion	7.1%	7.1%	5.4%	21.4%	58.9%
Over \$3 billion	3.6%	3.6%		10.7%	82.1%

When budgets of the compliance department are compared to revenues of the organization as a whole, the same pattern repeats, with increasing revenues quickly translating into higher compliance budgets.

Compliance Budget By Revenues of Organization as a Whole

	Compliance Budget				
	Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1 Million or more
Healthcare					
Less than \$5 million	66.7%	12.1%	6.1%		15.2%
\$5 to \$15 million	63.8%	20.3%	10.1%	1.4%	4.3%
\$15 to \$30 million	58.2%	14.5%	21.8%	3.6%	1.8%
\$30 to \$50 million	40.8%	34.7%	12.2%	8.2%	4.1%
\$50 to \$100 million	33.3%	31.6%	21.1%	10.5%	3.5%
\$100 to \$500 million	21.2%	12.9%	32.9%	22.4%	10.6%
\$500 million to \$1 billion	8.1%	13.5%	16.2%	37.8%	24.3%
\$1 to \$3 billion	8.2%	6.6%	8.2%	21.3%	55.7%
Over \$3 billion	7.1%	2.4%	2.4%	14.3%	73.8%

Compliance budgets for a division are also closely related to the number of employees in that division. 62.5% of respondents from divisions with less than 100 people reported compliance budgets of \$100,000 or less. By the time division size was 500–999 people, only 40% reported a budget at that level, and by 3,000–4,999 employees the figure was just 11%.

Compliance Budget By Number of Employees in Portion of Organization Compliance Group Serves

	Compliance Budget				
	Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1 Million or more
Healthcare					
Less than 100	62.5%	10.4%	12.5%	10.4%	4.2%
100-249	66.0%	17.0%	9.4%	3.8%	3.8%
250-499	45.8%	27.1%	18.6%	5.1%	3.4%
500-999	40.3%	29.9%	15.6%	10.4%	3.9%
1,000-1,999	35.4%	23.1%	26.2%	7.7%	7.7%
2,000-2,999	22.2%	15.6%	28.9%	20.0%	13.3%
3,000-4,999	11.1%	17.8%	20.0%	24.4%	26.7%
5,000-7,499	11.4%	6.8%	6.8%	31.8%	43.2%
7,500-9,999	8.3%	8.3%	8.3%	58.3%	16.7%
10,000-14,999	5.3%		10.5%	10.5%	73.7%
15,000-19,999				11.1%	88.9%
20,000-29,999	12.5%			6.3%	81.3%
30,000-49,999		16.7%			83.3%
50,000-74,999					100.0%
75,000-99,999				25.0%	75.0%
100,000 or more					100.0%

Here, too, budget size and employee count were closely related when looking at ratios for organization as a whole.

Compliance Budget By Number of Employees in Organization as a Whole

	Compliance Budget				
	Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1 Million or more
Healthcare					
Less than 100	73.1%	19.2%	3.8%	3.8%	
100-249	69.6%	14.3%	8.9%	3.6%	3.6%
250-499	47.5%	27.9%	14.8%	4.9%	4.9%
500-999	41.6%	29.9%	16.9%	7.8%	3.9%
1,000-1,999	37.1%	22.6%	24.2%	8.1%	8.1%
2,000-2,999	21.4%	16.7%	31.0%	19.0%	11.9%
3,000-4,999	10.6%	17.0%	23.4%	25.5%	23.4%
5,000-7,499	11.1%	6.7%	13.3%	33.3%	35.6%
7,500-9,999			28.6%	57.1%	14.3%
10,000-14,999	12.5%	4.2%	8.3%	16.7%	58.3%
15,000-19,999			7.1%	28.6%	64.3%
20,000-29,999	11.1%		5.6%	5.6%	77.8%
30,000-49,999	16.7%	16.7%		25.0%	41.7%
50,000-74,999			20.0%		80.0%
75,000-99,999				20.0%	80.0%
100,000 or more	20.0%		20.0%		60.0%

As was the case with compliance department staffing, respondents from Academic organizations reported the largest numbers. 75% of respondents from Academia reported compliance budgets of \$1 million or more. That far outstripped the next highest group, publicly held companies, where 41% reported a budget that high.

Compliance Budget By Organization Type

	Compliance Budget				
	Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1 Million or more
Healthcare					
Organization type					
Nonprofit	32.4%	16.9%	17.2%	15.2%	18.4%
Privately held	45.7%	19.6%	15.2%	8.7%	10.9%
Publicly held	23.5%	23.5%	5.9%	5.9%	41.2%
Governmental	34.5%	24.1%	20.7%	6.9%	13.8%
Academic	5.0%			20.0%	75.0%
Other	50.0%	16.7%	16.7%	16.7%	

SURVEY METHODOLOGY

In June 2015, an email invitation was sent to approximately 45,000 individuals.

In total, 1,646 completed online submissions were received by late July.

Of the 1,646 responses, 679 were selected based on the following criteria:

- They worked for a health care provider.
 - They were responsible for at least 26% of an organization's legal and regulatory risk.
- This report is based solely on this group.

Upon receipt, all submissions were assigned a confidential identification number. All data were checked both manually and by a specially designed computer editing procedure. Strict confidence of survey responses was maintained throughout the course of the project. Final results were tabulated by Industry Insights, Inc., and the salary survey report was completed in October 2015.

The data was then retabulated by Industry Insights, Inc. in April 2016 to create this benchmarking report.

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HCCA's MISSION

HCCA exists to champion ethical practice and compliance standards in all organizations and to provide the necessary resources for compliance professionals and others who share these principles.

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