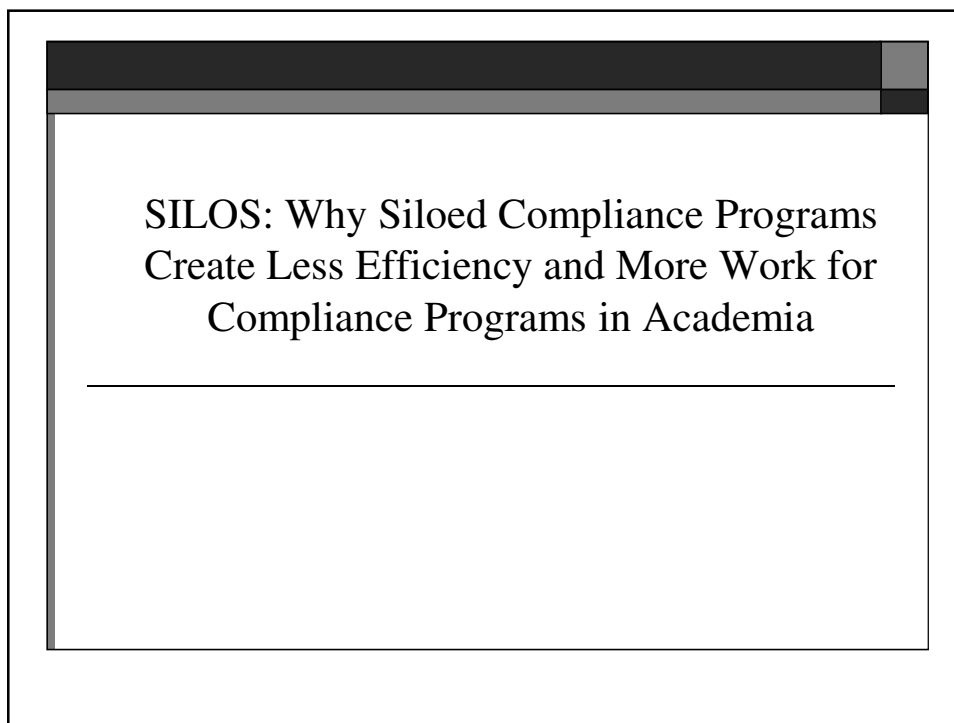


A business card for Marti Arvin, Chief Compliance Officer at UCLA Health Sciences. The card features a dark grey header bar with a small square graphic on the right. The name 'MARTI ARVIN' is printed in a large, bold, serif font. Below the name, a horizontal line separates the title 'UCLA Health Sciences' and 'Chief Compliance Officer'. Contact information, including a phone number and email address, is listed at the bottom.

MARTI ARVIN

UCLA Health Sciences
Chief Compliance Officer

Phone: 310-794-6763
Email: marvin@mednet.ucla.edu



A title slide for a presentation. It features a dark grey header bar with a small square graphic on the right. The title 'SILOS: Why Siloed Compliance Programs Create Less Efficiency and More Work for Compliance Programs in Academia' is centered in a serif font. A horizontal line is positioned below the title.

**SILOS: Why Siloed Compliance Programs
Create Less Efficiency and More Work for
Compliance Programs in Academia**

AGENDA

- Discussion of compliance issues in higher ed
- Various structures of compliance in higher ed
- Overlap of duties
- Creating efficiencies, the challenges
- Q & A

4/1/2010

3

Compliance Issues in Higher Ed

- Employment
- Students
- Sponsored Research
- Facilities
- Environmental
- Taxes
- Public Safety
- Athletics
- Donor Activities
- Purchasing
- Healthcare
- Privacy
- Information Security
- Other

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4

Examples of what is included in each area

- Employment:
 - ADA
 - Affirmative Action
 - COBRA
 - FMLA
 - FICA/Medicare withholdings
 - ADEA

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5

Examples of what is included in each area

- Sponsored research
 - Financial compliance
 - OMB Circular 110
 - A-21 Cost reporting
 - Technology Transfers
 - Humans Subjects
 - Conflict of Interest
 - Research integrity

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6

Examples of what is included in each area

- Students
 - FERPA
 - GLBA
 - Financial Aid
 - Title IV
 - SEVIS
 - IDEA

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7

Examples of what is included in each area

- Facilities
 - ADA
 - Safety Codes
 - Construction/Occupancy Permits
 - Radiation Safety
- Environmental
 - Hazardous Materials
 - Lab Safety, including decommissioning
 - Nuclear Regulations
 - Select Agents

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8

Examples of what is included in each area

- Taxes
 - Unrelated business income
 - Non-Resident Aliens
 - Federal Form 990
 - Tax exempt bonds
 - IRS Intermediate Sanctions

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9

Examples of what is included in each area

- Athletics
 - Equipment and Apparel
 - Employment of student athletes
 - Eligibility
 - Certification of Compliance
- Purchasing
 - State entities and procurement laws
 - Minimum Bid
 - RFP process

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10

Examples of what is included in each area

- Academic Medical Centers
 - Billing and coding issues
 - Credit Balances
 - VA appointments
 - Stark regulations
 - Cost reports
 - HIPAA

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11

Compliance Structures in Higher Ed

- Chief or Institutional Compliance Office
 - Everything reports here
- Chief Compliance Office for Health Affairs
 - Everything regarding health care reports here
 - No other formal compliance oversight function for the rest of the institution

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12

Compliance Structures in Higher Ed

- Chief Compliance Officer for Health Affairs
 - Oversees billing and coding compliance
- Separate oversight for some compliance functions
 - Privacy Officer does not report to this person
 - Information Security Officer does not report to this person
 - There is no research compliance officer

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13

-
- Athletics, environmental, IRS, student and other compliance areas report to different senior leaders

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14

What types of compliance silos to you have?

- Chief Compliance Officer
- Privacy Officer
- Athletics Compliance Officer
- Research Compliance Officer
- Information Security Officer
- AMC Compliance Officer
- Other compliance officials

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15

What do these individuals oversee?

- Chief Compliance Officer
 - Everything?
 - Some things but not all?
- What functions are directly overseen by this position versus reported to the position?
 - Training and Education
 - Auditing and monitoring

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16

CASE STUDY

- University with all the compliance issues previously discussed including an academic medical center.
- The University has an Institutional Compliance Officer (2.25 FTEs) but not all compliance functions report to this position.
- The compliance official over the health component reports to the executive over health affairs (9 FTEs).

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17

CASE STUDY - continued

The privacy officer reports to a member of senior leadership (3 FTEs).

Compliance oversight for environmental issues reports to the VP of administration (3 FTEs).

The research compliance function is split between the IRB office (2 FTEs), research integrity (2 FTEs), grants management (1 FTE), animal research office (2 FTEs).

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18

CASE STUDY - continued

The athletics compliance officer reports to the athletic director (2 FTEs).

Other compliance functions report to other areas (6 FTEs).

Total FTEs working on compliance functions
31.25

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19

CASE STUDY continued

Shared functions among the different offices

Background checks are performed by the institutional compliance office

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20

What are some the areas of overlap?

- Conflicts of interest
 - Research, general, institutional
- Privacy
 - HIPAA, FERPA, GLBA, HR,
- Information Security
 - HIPAA, FERPA, GLBA, DMCA,
- Billing and coding compliance
- Environmental safety

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21

What are some the areas of overlap?

- Billing and coding compliance
 - FCA, research billing, vendor interactions
- Research
 - Effort reporting, research billing, HIPAA,

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22

What compliance functions are in each area?

- All of them
 - Standards and policies
 - Oversight
 - Auditing and monitoring
 - Background checks
 - Education and Training
 - Response and prevention
 - Discipline

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23

Standards and Policies

- No central function for policy creation, revision or approval
- Potential for conflicts and inconsistencies among policies in different compliance areas
- Lack of a structured approval process makes it unclear who needs to approve what policies
- Raises questions on whether all the applicable constituents have been involved in the process

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24

Oversight

- Without a clear leader of the process oversight is disjointed
- Compliance functions reporting to varying levels of leadership create inconsistencies in support and buy-in.

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25

Auditing and Monitoring

- Each area has its own auditing and monitoring program.
 - Confusion on who is auditing for what and when if the effort is not coordinated
 - Departments feel like they are constantly being audited because they are.
 - If audit plans are not coordinated, overlap in areas audited can result in duplication of effort and possibly confusing messages

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26

Training and education

- Each silo tracks the training it is responsible for because it is not tracked centrally.
- This creates duplication of effort because the same individuals are in multiple database.
- Individuals get multiple notifications regarding training and it confuses them

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27

Discipline and Corrective Action

- No one is tracking discipline to see if it is consistent across the organization
- The corrective action plans are inconsistently monitored.
 - Some departments follow-up to ensure the plans are implemented others do not

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28

Helpline/Hotline function

- ❑ Calls come in to a central line and are transitioned out to the various compliance functions
- ❑ If the compliance function is not covered by a particular area the central compliance function will handle
- ❑ Follow-up and close out are monitored centrally

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29

Investigations and questions

- ❑ Each compliance area is responsible for investigating issues that it learns about or uncovers
- ❑ The process for tracking these and thus the metrics for such vary widely
- ❑ No central way to identify how many resources are used on this type of activity

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30

Number of FTEs and Budget

- Remember our case study has 34.25 FTEs.
- Total of all budgets is \$3,300,000

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31

Central function

- If the effort were centrally coordinated how many FTEs do you think it would take?
 - Chief Compliance Officer
 - Subject matter experts
 - Billing and coding
 - Privacy
 - Information Security
 - Research
 - Tax issues
 - Athletics

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32

Number of FTEs

- Individual to track training
- Individual to record, track and report on metrics
- Individuals to perform audits and help departments create monitoring tools
- Individual to track items like conflicts of interest forms and other material that needs to be turned in

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33

FTEs and budget

- Assuming all compliance areas can be covered with 22 FTEs
- Chief Compliance Officer
- Deputy Compliance Officer
- Compliance Trainers 6
- Compliance Auditors 10
- Administrative support personnel 4

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34

Budget

- An office of 22 FTEs with salaries as seen in the spreadsheet would be \$2,420,000
- Net savings of \$880,000

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35

Why do we have the compliance structures we do?

- Budgets
- Politics
- Lack of support from senior leadership
- Lack of understanding from the Board of Directors/Trustees

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36

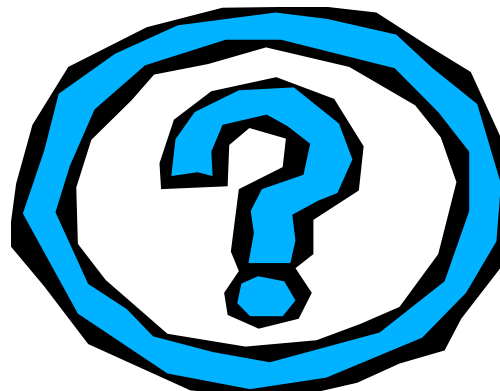
What can we do about it?

- ❑ Create an ROI for your compliance function
- ❑ Identify the inefficiencies and duplicated functions
- ❑ Identify the gaps that the current structure does not cover.
- ❑ Keep trying to focus senior leadership on the seven elements of an effective compliance program.

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37

QUESTIONS



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38