

SCCE 8th Conference for Effective Compliance Systems in Higher Education

*“Too Hot, Too Cold, Just Right; Finding the Ideal Balance in
Communicating Between Operations and Compliance”*

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Session Objectives

- Address the political and operational challenges that exist when implementing the annual compliance work plan
- Discuss the principles of compliance governance and oversight amongst operational and compliance departments
- Review case study: “VCU Health System - A 7 Year Progression of a Restructured Compliance Program”
- Outline practical solutions on how to develop a more strategic approach to communication and internal marketing

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Compliance Program Operational and Political Challenges

Compliance Program – Political and Operational Challenges

- **Priorities and strategic planning**
 - Differing agendas among compliance and operations
 - Changing enforcement provisions, at times require immediate “all hands on deck” action from key operational leaders
- **Oversight and management**
 - Managing leadership and staff expectations of compliance responsibility....”Compliance should own it” vs. “Compliance is everyone’s responsibility”
 - Monitoring and oversight of providers by non-clinical compliance professionals
- **Determining value and effectiveness**
 - Showing the organizational “value” and return on investment for compliance (as a non-revenue producing department)
 - Managing increased regulation and government scrutiny on limited staff and resources

Principles of Compliance Governance and Oversight

An Organizational Framework for Compliance

"Demonstrated hospital commitment to honest and responsible corporate conduct."

"Compliance programs guide a hospital's governing body in the efficient management and operations of a hospital."

"Eventually, a compliance program should become part of the fabric of routine hospital operations."

"Central coordinating mechanism for furnishing and disseminating information and guidance on applicable Federal and State statutes, regulations and other regulations."

"In practice, the compliance program should effectively articulate and demonstrate the organization's commitment to the compliance process."

-OIG Original and Supplemental Compliance Program Guidance for Hospitals (1998, 2005)

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Governing Compliance and Operational Frameworks

- Office of the Inspector General (“OIG”) Compliance Guidance for Hospitals
- Federal Sentencing Guidelines
- Governance, Risk and Compliance (“GRC”)
- Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Enterprise Risk Management (“ERM”)

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OIG Compliance Guidance Hospitals

- Minimum requirements for an effective compliance and ethics program:
 - Implementing written policies, procedures and standards of conduct
 - Responsibility at all levels to oversee compliance
 - Training and education
 - Reporting systems
 - Enforcement and discipline
 - Monitoring and auditing
 - Appropriate, consistent response after an offense is detected (e.g. risk assessments)

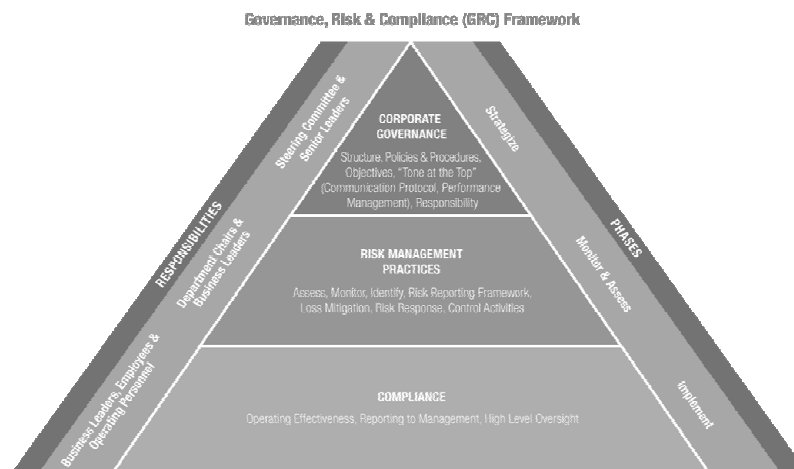
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U.S. Federal Sentencing Guidelines Effective Compliance and Ethics Program (2008)

- “To have an *effective* compliance and ethics program, for purposes of subsection (f) of §8C2.5 (Culpability Score) and subsection (c)(1) of §8D1.4 (Recommended Conditions of Probation - Organizations), an organization shall—
 - (1) exercise due diligence to prevent and detect criminal conduct; and
 - (2) otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law. Such compliance and ethics program shall be reasonably designed, implemented, and enforced so that the program is generally effective in preventing and detecting criminal conduct.”
- Proposed amendments to U.S. Sentencing Guidelines, Chapter 8 Effective Compliance and Ethics Programs, affecting organizational guidelines around remediation, monitoring, document retention, reporting and assessing the “nature and operations of the organization with regard to particular ethics and compliance functions”

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Governance, Risk & Compliance



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Enterprise Risk Management

- Establishes an infrastructure to provide alignment of compliance into the organization's mission, vision and strategic objectives... "Tone at the Top"
- Aligns hospital, physician and staff practices around compliance
- Creates a common language around risk and compliance
- Prepares senior compliance and operations leadership to have a coordinated response to risk
- Determines controls and processes needed in order to mitigate compliance risks
- Provides a dedicated format for identification, capture and dissemination of compliance/risk information across all facets of the organization
- Improves efficiency and eliminates waste in hospital systems/processes

ERM Components	
<ul style="list-style-type: none">• Internal Environment• Objective Setting• Event Identification• Risk Assessment	<ul style="list-style-type: none">• Risk Response• Control Activities• Information and Communication• Monitoring

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Step by Step...Bridging the Divide

A collaborative relationship between compliance and operations is needed in order to establish how an organization will accomplish its operational workflow using compliance as the foundational element.

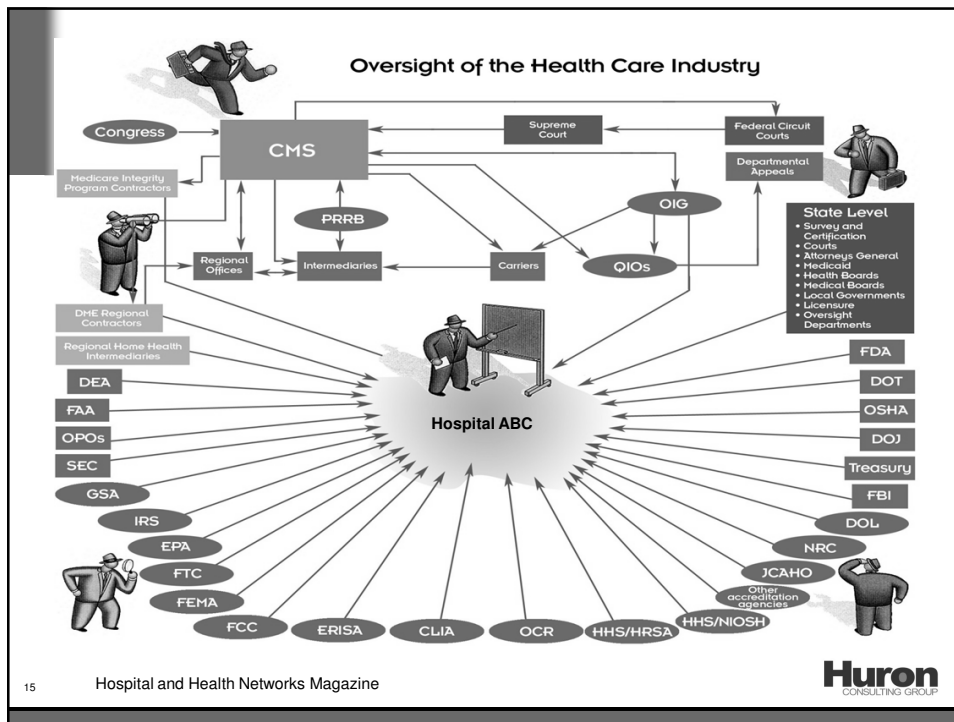
- Step by step...bringing compliance and operations together for organizational effectiveness:
 - 1) Define or re-define the meaning of compliance and the place it holds in the organization's strategic imperatives
 - 2) Establish standards and principals by which an integrated compliance organization functions
 - 3) Articulate steps necessary for the successful implementation of organization's agreed upon vision for compliance
 - 4) Define organizational roles and responsibilities for implementation and continued ownership of the compliance initiative (i.e., joint effort between compliance and operational senior leaders)
 - 5) Establish metrics in order to measure organizational progress (i.e., implementation and sustaining benchmarks that set expectations for compliance and operations functional leaders)
 - 6) Creation of a communication plan to ensure key organizational stakeholders and department goals are aligned with the larger compliance initiative

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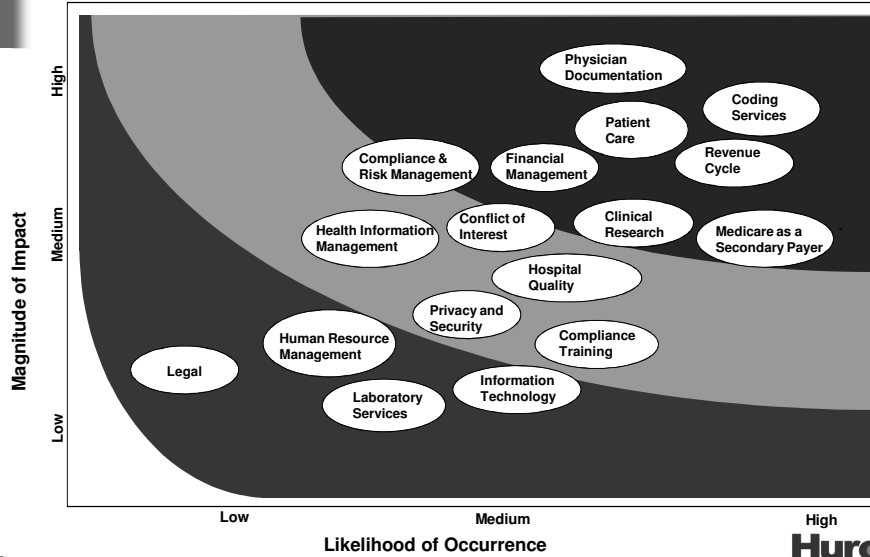
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**Collaborative Communication
Between Compliance and Operations**

We're all in this together...



Annual Compliance Priorities...Showing Operations the Risk



Oversight and Monitoring – Who should be at the table?

Sample list of Compliance and Operations Committee membership:

- Chief Compliance Officer
- Director of Risk Management
- Patient Safety Officer
- Director Performance Improvement
- Director of Medical Staff Services
- Director of Nursing
- Director of Information Security
- Director of Health Information Management
- Director of Patient Accounting
- Director of Physician Billing
- Director of Managed Care
- Director of Reimbursement
- Director of Human Resources
- Administrators of Key Medical Departments (e.g. Surgery, Lab, Radiology, Internal Medicine, etc.)

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Case Study: 7 Year Progression of a Restructured Compliance Program

VCU Health System
MCV Hospitals and Physicians

Our Facility & Workforce

- Academic Medical Center
- 740+ Beds
- Over 100 Clinics in 5 Locations
 - Multiple physicians who travel to surrounding areas
- 8,000 Health System employees
- 9,000 in non-employee positions

- We are the only Level 1 Trauma Center in Central Virginia

VCU Health System
MCV Hospitals and Physicians

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Background VCU Medical Center Structure

■ THEN

- Virginia Commonwealth University (VCU)
- Medical College of Virginia Hospital (MCVH)
- Medical College of Virginia Physician Practice Plan (MCVP)

Entered era of Universities spinning off Academic Medical Centers and gaining advantages to group purchasing for health care

■ NOW

- Virginia Commonwealth University
- Virginia Commonwealth University Health System (VCUHS)
 - Hospital Faculty Practice Plan
 - Hospital Health Plans

Effective Program Concepts

■ Base the Program in Sound Reasoning

- OIG's 7 Elements of a Compliance Program
- Federal and State Regulations
- Content Area Experts; Employees assigned issues with others aware of Program's Projects
- Identified "Contact Person" for all communications and new initiatives
- Identified Entity Champions for Compliance
- Built Solid Relationships

Effective Program Concepts

■ Right-Sized Department

- Adequate staffing
- Clarity of expectations
- Budget support

■ Strategic Placement

- Workgroups and steering committees created for special initiatives which include
 - Operations & Compliance employees
- Regularly scheduled meetings with both individuals and committees where Compliance remains on the agenda
- Compliance as a part of every employee's annual evaluation and annual education

Effective Program Concepts

■ Show Operations how Compliance is worth the effort

- Point out how what you need contributes to the clinical mission; how it will improve quality care
- Frame your request in terms of "numbers served"
 - gives a respected value-add dimension
- Speak to them in their terms
 - Considering cost, both in time and money

Effective Program Concepts

■ Example: Goal is Quality Patient Care

Compliance illustrates this via

- ✓ Proper Regulatory Documentation
- ✓ Correct Billing Documentation
- ✓ Prevented Overpayments
- ✓ Avoidance of Fines

Operations illustrates this via

- ✓ Raw Numbers Driven Evidence
 - ✓ # of Patient Safety Events
 - ✓ # of Beds Filled
- ✓ Productivity of MDs and RNs
- ✓ ED Through-put

Effective Program Concepts

■ Consistent & Supported Message

- The Right Way to Do Business; Everyone contributes to a Culture of Compliance
- Compliance is oversight, we consult and advise, we do not manage
- Compliance team is a consistent and available resource to anyone in the organization
- Support from Senior Leadership and Physician Champions

RECAP – Effective Program Concepts

- **Based in Sound Reasoning**
- **Right-Sized Department & Strategic Placement**
- **Show Operations How Compliance is Worth the Effort**
- **Consistent & Supported Message**

Background Compliance Program

- In the 1990's a Compliance Program existed that served the Physician Practice Plan
 - Compliance Officer limited to the Practice Plan
 - Low profile program; limited feedback
- When the Hospital & Practice Plan became 1 Health System
 - Originally, the Health System CEO appointed a new CC&PO
 - Later, in 2003, the Board of Directors asked Executive Director of VCU Assurance Services for creation of a compliance program for the entire Health System that would mirror the compliance program on the University side
 - Hence, the Executive Director appointed a Chief Compliance & Privacy Officer for the Health System

Practical First Steps

- Minor re-organization first 18 months with new CC&PO
 - Familiarity with what “was” and “what needed to be” for a health system wide program
 - Handle on external audits and audit results
 - Notice of Privacy Practices Efforts Extended Health System wide
 - Improved Helpline Reporting Mechanisms

Practical First Steps

- Created Provider Documentation Audit Plan
 - Began educational initiative to support Provider Documentation Requirements
- Created a Compliance Plan Document
- Built Relationships and Credibility with Senior Leaders & Physicians
- Brought on two additional managers and assigned OIG Element “areas” to three managers

Continued Efforts

- Educational Efforts
 - New Provider Documentation Program
 - Annual Provider Update Education
 - New Employee Orientation Program
 - HIPAA Training
 - Contribute to Annual Employee Education Training
- Committees Created with Compliance at the Helm
 - Enforcement Response Team
 - Hybrid Committee (sub of Medical Records Committee)
 - Internal Compliance Workgroup
 - Patient Rights Committee
- Increase in Department Staff & Inclusion of Health System Audit Under the CC&PO

Evidence of Support

- Co-Chairing Practice Plan Policy Committee with a Physician Champion
 - Consult on operational practices that supported billing policies
- Ambulatory VP brought in from a health system with an active Compliance program and experience with issues
- CEO of Health System support for mandatory physician education
 - Provider Education
 - Annual Update Education
 - Annual Resident Training

Evidence of Support

- Reporting to
 - Senior Management Compliance Committee
 - Audit & Compliance Committee of The Board
 - Practice Plan Board of Directors

- Regular Seat-at-the-Table Committees
 - Operations Committee [Senior Level Administration]
 - Practice Administrators Group
 - Health System Management
 - Policy & Procedure Committee
 - Medical Records Committee
 - Internal Review Board (one of five)

Evidence of Reach & Respect

- Compliance is brought in initially on new projects
- Chief takes shift coverage as an on-call Hospital Administrator
- 55% of our Helpline Type Calls come directly to Compliance staff

Lessons Learned

- You want a seat at the table
- What gets you a seat at the table
 - Relationship Building
 - Consistency and Reliability
 - Preparation
 - Accountability
 - Communication

Lessons Learned

- Internal Collaboration is key, Compliance cannot do it all alone
 - Collegial, sharing environment that reaches consensus
- Remember: Everyone may not always agree,
but everyone walks away supporting the decision**
- Set up regularly occurring meetings
 - Operations: Compliance, Risk, Legal, Finance
 - Set up those Special Committees and Steering Groups in response to current trends
 - Enforcement Response Team; Red Flag Rules; Hybrid Subgroup
 - Invite key players even if you think they won't attend
 - Once a topic becomes widely discussed, people want in

Lessons Learned

- Be knowledgeable in your area
 - If you don't know, find out and communicate back immediately

- Assign people in Compliance Department to certain topics
 - This creates a functional area "lead"
 - Ensures accountability from Compliance
 - Gives an operational benefit of one "go-to" person

Lessons Learned

- Don't underestimate your own department's internal communication needs

- Everyone should be aware of the issues your department addresses
 - Routine issues and when special project issues arise
 - Think about those who answer the phone

- Everyone should have an idea of what others in the department "do"

Lessons Learned

- Make the tough decisions between

What you *want* to do and what you *must* do

What you *should* share and what you *must* share

- Be wary of overwhelming those outside of Compliance who don't handle "The Sky is Falling" on a daily basis



Questions

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