CMS' Compliance Effectiveness Pilot

COMPLIANCE EFFECTIVENESS PILOT - Background

- Pilot announced at the 2004 HCCA Institute
- CMS press release May 18, 2004
- Applications accepted over the summer
- Participants selected early fall
- Initial site visit – November 2004
- Subsequent site visits – January – March 2005

COMPLIANCE EFFECTIVENESS PILOT - Details

- Pilot consists of 16 facilities
- During the site visit, a survey tool was administered and interviews were conducted
- Interviewees included: compliance staff, CEO, CFO, Medical Director and directors/staff in various departments such as HR, reimbursement, coding, patient services/registration

COMPLIANCE EFFECTIVENESS PILOT - Details

State	Length of time for Compliance Program	Type of Facility & #of Beds	Profit/Not-for Profit Status	Number of employees/ number of medical staff	Percent of Medicare Revenue	Percent of Inpatient Revenue
MA	7 years	Acute care/ 126	Not-for- Profit	1413/340	35.6%	38.7%
MD	6 years	Acute care/ 265	Not-for-Profit	2400/665	33%	65%
MD*	6 years	Acute care/ 153	Not-for-Profit	1325/553	42%	74%
MD*	6 years	Acute care/ 102	Not-for-Profit	769/378	50%	65%
NH	5 ½ years	Acute care/ 330	Not-for-Profit	1545/396	51.36%	69.8%

*indicates that these facilities are a part of health system

COMPLIANCE EFFECTIVENESS PILOT - Details

State	Length of time for Compliance Program	Type of Facility & #of Beds	Profit/Not-for Profit Status	Number of employees/ number of medical staff	Percent of Medicare Revenue	Percent of Inpatient Revenue
NY*	5 years	Acute care/ 138	Not-for-Profit	973/372	30.3%	45.93%
NY*	5 years	Acute care/ 367	Not-for-Profit	2263/536	33.15%	38.16%
NY*	5 years	Acute care/ 236	Not-for-Profit	1854/621	29.05%	34.30%
NY*	5 years	Acute care/ 112	Not-for-Profit	777/310	40.5%	48.96%
NY*	4 ½ years	Academic Med Center/241	Not-for-Profit	1008/395	48%	80%

*indicates that these facilities are a part of health system

COMPLIANCE EFFECTIVENESS PILOT - Details

State	Length of time for Compliance Program	Type of Facility & #of Beds	Profit/Not-for Profit Status	Number of employees/ number of medical staff	Percent of Medicare Revenue	Percent of Inpatient Revenue
NY	5 years	Acute care/ 321	Not-for-Profit	4400/455	40%	95%
NY	1 year	Acute care/ 356	Not-for-Profit	1240/589	49%	64%
NY	5 ½ years	Both/366	Not-for-Profit	3670/388	33%	70%
VA	5 years	Academic Medical Center/ 550	Not-for-Profit	5600/730	38%	63%
WV*	6 years	Acute care/ 90	Not-for-Profit	675/130	45%	44%
WV*	6 years	Acute care/ 72	Not-for-Profit	175/48	45%	44%

*indicates that these facilities are a part of health system

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

- Buy-in from the top
- Hospital culture different from other types of businesses with compliance plans (i.e. health plans)
- Hospitals currently or previously under a CIA intimately understood the importance of an effective compliance program

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Importance of the Compliance officer

- Should be known within the organization
  - Especially in the departments where there is ongoing communication
  - Should be present at orientation/training or provide some means so that individuals can identify the CO

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Importance of the Compliance officer

- Compliance officer may hold multiple positions
  - Especially true for smaller facilities
  - Effectiveness of the compliance program may be based on the personality of the CO
  - Result may be weak policies and procedures or weak audit plans

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Importance of the Compliance officer

- Still a challenge in the clinician community
- May be a separate compliance program for the physicians or none at all

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Relationships

- CO has to establish good working relationships across multiple departments
- CO must have free access to board members and/or the CEO
  - Board participation on the compliance committee or communication to the board regarding compliance issues

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Relationships

- Accountability of department managers on compliance related issues
  - Include on the performance evaluation
  - Need to ensure that the compliance message trickles down

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Data issues- use of software

- Increased use of software for data matching on personnel records and the OIG exclusion list
- Claims data scrubbing
- Still requires human oversight to assume overall responsibility
  - Important for all departments which rely on software as an integral part of their job

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Audit issues – Integrated auditing approach

- Defined audit plans
- Type of audits should be shared across the organization among the departments
  - Compliance issues may not be recognized by other departments
  - Avoid audit duplications
- Not necessarily a difference between a billing audit and a compliance audit

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Site Visit Observations

Additional issues

- Large health systems may have separate compliance officers for each facility who report to a corporate compliance officer
- Patient registration/access system can play a large role in billing compliance
- Coding process can also play a large role

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Standards and Procedures

- Formal documents such as standards of conduct and policies and procedures available in written form and or on a website or Intranet site
- Subject material included in the standards of conduct can vary
- The standards are generally available to all members of the organization (i.e., employees, medical staff and contractors)
- Formal documents are reviewed and\or approved by senior management and\or the Board

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Oversight Responsibilities

- Accountability for the compliance program exists at a senior management level, however, there is some variation as to Board involvement
- Compliance committees exist, however, there is some variation as to the status of these committees: some are board level some are subcommittees of another Board-level committee (i.e., finance or audit)

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Oversight Responsibilities

- Communication to the Board occurs either by written minutes of compliance committee meetings or an oral presentation is conducted at the Board meeting
- Board meeting minutes are documented
- Compliance information is communicated on a regular basis to the Board at each scheduled meeting, although the frequency of these meetings may vary

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Oversight Responsibilities

- Variation exists as to whether the compliance officer is at a senior-level position. For those not at a senior level position, there is direct access to senior management and\or the Board.
- Compliance officers have a broad range of authorities to include, but not limited to education, discipline, and access and review of records

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Education and Training

- Formal education and training occur at least on an annual basis.
- Compliance issues are addressed during orientation
- Some variation as to how the sites provided compliance education. Examples in addition to orientation include, but are not limited to: e-mail, Intranet, newsletters, and departmental training.
- Attendance is documented via sign-in sheets which are later filed or attendance is electronically tracked

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Education and Training

- Employees are trained on a regular basis and as needed depending upon the circumstance, however, the Board is not always included in training sessions
- Compliance officers had some level of responsibility for the training curriculum in conjunction with pertinent staff members
- Some variation as to the level of responsibility for the curriculum –develop versus review

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Education and Training

- Some variation as to whether the compliance officer provided the training or if it is provided by trainers
- Curriculum updates were usually annual and as needed

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Lines of Communication

- Regular general reports are provided to the Board, most sites only report specific investigations of significant risk
- Reporting mechanisms are in place, examples include a hotline (available 24/7), a written report form and/or direct contact with the compliance officer and\or senior management.
- Staff was notified of these reporting mechanisms in a variety of ways such as during orientation, posters, Intranet, etc.

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Lines of Communication

- Employees, medical staff and the Board, in most instances, are educated that it is mandatory to report compliance related concerns
- Policies are in place against retribution/retaliation for reporting suspected compliance violations
- Policy are in place to provide feedback to the complainants but the timelines vary depending upon the issue
- Most sites do not have a policy on how to request information or seek guidance from a third party

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Audit and Monitoring

- The sites have audit plans. There is variation as to how each organization manages the plan(s).
- Most have coordination and communication among the affected departments regarding the audits to avoid duplicative efforts
- Audit plans are usually updated at least annually and more often as needed
- Most sites have independent verification of the controls via external audits

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Audit and Monitoring

- The sites assess for risks with variation in prioritization. Some of the factors used to prioritize are patient harm and either financial or reputational risk to the organization
- In order to ensure billing compliance, the sites have controls at the departmental level so that issues can be resolved **BEFORE** it is processed in the billing department
- As a part of the audit process, the sites assess policies and procedures by looking at factors such as changes to laws, statutes or regulations, development of new policies, hotline tips and results from an audit.

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Enforcement and Discipline

- The sites have a specific department responsible for rendering disciplinary action and assuring its consistency in its administration – this is usually human resources
- The compliance officer does receive copies of reports when the discipline is related to a compliance related violation
- A progressive disciplinary process is in place for violations, including those compliance related.

COMPLIANCE EFFECTIVENESS PILOT – Preliminary Survey Tool Observations

Enforcement and Discipline

- The sites' compliance programs have specific reasons for which disciplinary action will be taken. Some of these reasons include, but are not limited to, violation of federal or state laws and regulation, violation of company policies to include breaches of confidentiality or conflict of interest
- Employment is terminated if it is discovered that the individual or entity is on the OIG exclusion list. However, most sites did not check the GSA list, now known as the Excluded Parties Listing System (EPLS).

COMPLIANCE EFFECTIVENESS PILOT – Roundtable

- Occurred August 19, 2005
- Purposes:
  - participants were able to meet each other
  - Provided opportunity for discussion among the participants, CMS staff and members of the external workgroup
  - Preliminary observations were reviewed
  - Outcome data/measures were also discussed

COMPLIANCE EFFECTIVENESS PILOT – Roundtable

- Issues that were raised by the compliance officers include:
  - Visibility of the compliance officer at the board level
  - Audit plan with coordination across components
  - Value and importance of education of the staff
  - The challenge of helping the staff to see the importance of compliance in their job

COMPLIANCE EFFECTIVENESS PILOT – Roundtable

- Very interested in sharing compliance issues and developing categories as appropriate for specific issues
- Request regular conference calls with each other in order to continue to share information (scheduled for 9/20)
- Identify the best skill sets for a compliance officer
- Identify the role of ethics in compliance
- Discuss the risk of the CO role decreasing

COMPLIANCE EFFECTIVENESS PILOT – Roundtable

- Explore the relationship between compliance and business integrity
- Suggest the development of internal measures to provide quantifiable validation for the compliance program
- Explore methods to demonstrate the CO's value in the health system
- Observed the similarities of the CO regardless of facility size—lends to the "scalability" concept of compliance programs

COMPLIANCE EFFECTIVENESS PILOT – Data, Data, Data…

- Outcome measures of the pilot
  - Review inpatient and outpatient bills
    - Review number and type of denials
    - Review number and type of adjustments
  - Review voluntary refund report

COMPLIANCE EFFECTIVENESS PILOT – Data, Data, Data…

- Survey tool will provide quantitative data
- Interviews will provide qualitative data
- Will consider conducting an employee awareness survey at the sites
- Compliance remains a high priority for both CMS and the OIG

Questions