

Don't Let Your Plan Gather Dust on the Shelf

Ensuring Compliance Success

By Bess Ann Bredemeyer, BSN, RN, CHC, CPC, PCS



Establishing a comprehensive compliance plan is essential for practices interested in minimizing regulatory risk and maximizing coding and billing efficiency. But implementation is only the starting point.

Failure to follow through by supporting the effort with adequate resources, strong leadership and top-down commitment can undercut the best of intentions and leave organizations more vulnerable than if they had no compliance program at all.

It therefore is the duty of physician group leaders to not only encourage buy-in for the plan throughout the organization but also to continually evaluate plan components and the group's adherence to them. By tracking compliance performance and by viewing the plan as a flexible, living document that can be adjusted to meet changing conditions, groups can be assured that their compliance investment will produce the maximum return in the long run.

Leaders lead

The success of a compliance initiative depends, to a great extent, on the effectiveness of the compliance director. This individual has primary responsibility for overseeing the creation, implementation and operation of the initiative. Depending on the size of the group, the director may be a physician with an interest in compliance, an office manager or a full-time compliance administrator. Whomever is selected, the person should be trustworthy, respected and have enough authority to ensure proper implementation and execution of the program.

Those who are discouraged from consideration for compliance leadership are individuals intimately involved in the financial aspects of the practice. Although these persons may have the necessary skills, the perception of a conflict inevitably will arise if the same person or department is responsible for both reimbursements and regulatory compliance.

Executives and managers need to provide the compliance director with whatever assistance is necessary during program development and implementation. And they must make sure that the director has the



appropriate human and financial resources to adequately perform his or her duties going forward.

Policies and Procedures

With leadership fully engaged in the compliance process, ensuring that policies and procedures are effective becomes the next task. Policies should address specific risk areas. Evaluating and measuring policy performance involves asking a number of key questions, including:

- Has a risk assessment been completed to identify relevant risk areas?
- Do policies and procedures exist to address those risks?
- Are the policies and procedures comprehensive enough?
- Are the policies understandable and can they be fully implemented?
- Have the requirements been clearly communicated to employees?
- Do employees recognize what the policies require?
- Have any audits been conducted to monitor compliance?
- Have the audits revealed fewer errors in areas where policies have been implemented?

- Through testing, is it clear that the internal controls established by policies are working?

Training and Education

Training and education initiatives should be developed along two tracks: Comprehensive training that includes general regulatory guidance for new and existing employees, and specialized training for unique job positions and roles within the organization.

The efficacy of these programs should periodically be assessed through employee tests, interviews or questionnaires, and training should be modified if it is clear that employees are not fully grasping the guidelines. In instances where employees repeatedly fail to complete training or follow clearly defined policies and procedures, progressive disciplinary actions up to and including termination should be taken.

Program Evaluation

Once the compliance program has been operational for a period of time, overall performance can be assessed by measuring key metrics across each program element. In the training and education area, the percentage of employees who receive compliance training promptly after

joining the company should be tracked at established intervals, as should the percentage of employees who receive training for higher risk roles. Likewise, the regulatory vulnerability of agents or affiliated non-employees should be assessed and, if necessary, a training program should be developed, administered and periodically assessed.

Risk Assessment

Maintaining up-to-date knowledge about the current regulatory environment and prioritizing risks accordingly is critical to ongoing program success. Applicable Office of Inspector General guidance, fraud alerts and Work Plans should be reviewed regularly. Periodic conversations with regulatory experts, healthcare providers and coding managers can also be an effective way to track salient regulatory issues. In addition, monitoring proposed federal or state legislation and/or rule changes will help ensure that the organization is in a position to take appropriate steps if and when the laws become final.

Lines of Communication

One of the best ways to foster a culture of compliance is to create a mechanism for employees to quickly, easily and anonymously report compliance issues or concerns. Depending on the size and geographic



breadth of the organization, anything from a suggestion box to a 24-hour hotline can be used to collect this vital information.

The tips, suggestions and allegations that flow in should be reported upward, along with whatever follow-up action has taken place. It is important that the reporting structure be designed in such a way as to ensure that information is not suppressed by one or more individuals before executives and directors have a chance to review it. It is also important that employees who report compliance issues not be penalized in any way for making their concerns known.

Key questions to ask when assessing the effectiveness of an internal reporting system include:

- Do the necessary communication policies exist and have they been implemented and maintained?
- Are reporting mechanisms appropriate for the size of the organization?
- Are they publicized throughout the organization?
- Is analysis being conducted on reports to determine whether responses are timely and thorough?

- Can trends be identified in the questions, issues and allegations being gathered through the reporting mechanism?
- Have employees been surveyed to evaluate their knowledge of the reporting mechanism?
- Does evidence show that there is a confidence in the reporting mechanism?

Monitoring and Auditing

Comprehensive audits are the centerpiece of any compliance performance evaluation. It is worthwhile to conduct a preliminary or baseline audit before the compliance program is initiated to gain additional insight into specific risk areas and vulnerabilities. Subsequent audits, like the compliance program as a whole, need to reflect the organization's highest-risk activities.

A written compliance audit plan should detail the subjects, methods and frequency of audits. Those responsible for conducting the audits should be independent of the organizational areas they are auditing.

A system should also be in place to notify senior management, the board of directors and other relevant parties if any major issues are revealed in

the course of the audit. Similarly, government regulatory agencies should be notified promptly about significant adverse findings. In instances where overpayments are identified, timely refunds should be made.

Finally, a written corrective action plan should be produced, disseminated and adopted if the audit uncovers existing or potential problems or concerns.

By assessing multiple audit outcomes over time, trends regarding organizational understanding of – and compliance with – relevant regulations should become apparent.

Enforcement and Discipline

Any allegations of wrong-doing should be thoroughly investigated in a timely fashion. Consistent and proportionate disciplinary standards should be communicated throughout the organization. Strict adherence to these standards will help ensure a culture of compliance.

These standards should extend to affiliate or partner organizations. Both new business partners and new employees should be properly screened to determine if any OIG or Government Services Administration (GSA) exclusions exist.

In addition, an individual's compliance performance should be included as an element of annual employee reviews and compensation decisions.

Investigation, Response and Prevention

Assessing the organizational response to identified non-compliant activities involves a number of steps. These include:

- Examining the methodology and efficacy of the investigative process.
- Ensuring that findings, status and outcomes of any internal investigation are reported to the appropriate management and oversight bodies.
- Ensuring that these communications, as well information about response and prevention, are documented by both management and the board.

- Determining whether the activity in question was halted promptly upon discovery of the non-compliance.
- Ensuring that the organization's corrective action is consistent with legal requirements and with the recommendations of the regulatory agencies.
- Ensuring that the organization has a written policy or protocol for responding to government investigations.

Walk the Walk

Ultimately, the effectiveness of any compliance program depends on the extent to which management makes compliance an organizational priority. If employees perceive the program to be simply "window dressing;" that is, something that is only sporadically followed and occasionally enforced, a culture of compliance will have great difficulty taking root.

If, on the other hand, leaders demonstrate a consistent commitment to compliance – through policies, communication, education, investigation and enforcement – then it is much more likely that employees will see compliance as an integral part of business operations and make it a priority in all of their activities. ■

This article is the third in a series of three articles by Bredemeyer on compliance and physician practices.

About the author:

Bess Ann Bredemeyer, BSN, RN, CHC, CPC joined McKesson in 2005 and is Director of Compliance Services, responsible for consulting services related to physician coding and compliance practices. She has more than 22 years of healthcare experience and was previously the Compliance and Privacy Officer for a large academic health science center.

Bredemeyer has also worked with healthcare defense attorneys and physician state licensing boards providing coding, compliance, billing and privacy consulting services. She has guest lectured at physician forums and residency programs, and she has taught graduate classes including health law and physician practice management.

Bredemeyer received her Bachelor of Science degree in nursing and chemistry from Texas Christian University in Fort Worth, Texas. She is a certified professional coder (CPC) and member of the American Academy of Professional Coders (AAPC) where she has held several senior positions including local chapter president. She is an active member of the Health Care Compliance Association and is certified in healthcare compliance (CHC).

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