


Making The Case for Compliance

Why you should invest in compliance today.

What is Regulatory Compliance?

Regulatory compliance in healthcare means adhering to federal and state laws and regulations that apply to healthcare organizations and providers.



Compliance oversight is a required part of any healthcare business.

Failure to create a compliant work environment could result in loss of accreditation, loss of Medicare certification and other government programs, and include significant fines, penalties, or even criminal penalties like incarceration for key decision makers.

- These regulations are intended to protect patients, safeguard sensitive information, prevent fraud, abuse and waste, and ensure high-quality care.
- Providers who do not take compliance seriously may find themselves under costly investigation by a government agency.

Compliance Pitfalls

What to Consider:

- How are you allocating internal resources to handle compliance?
 - Is an existing employee handling it?
 - Do you need to hire a new employee?
 - Should you outsource instead?
- How is risk assessment management addressed?
- Are employees trained annually? Have they agreed to follow your internal policies and procedures?
- How are you tracking and documenting compliance tasks?
- Have you standardized and organized your compliance efforts? Is it difficult to keep track of everything going on across multiple locations?



Increased Quality, **Reduced Liability**

Failure to commit to a culture of compliance will result in **higher malpractice claims**, and your organization's executives could even face **personal liability lawsuits**.

- Providing quality care to patients and adhering to regulatory standards will result in fewer malpractice claims
- When you go through a regulatory compliance lawsuit or investigation, by training staff on compliance best practices, you're protecting yourself and your staff
- If you're found responsible for not training your staff properly on compliance procedures, you could be faced with penalties and fines
- If you can prove that your company is otherwise adhering to compliance requirements and training, you can also see lower fines and smaller penalties



Increased Patient Satisfaction

A good compliance program creates a standardized operation, resulting in a better experience for your patients, and improved outcomes for all.

Reduced Costs, Increased Profits

Operational efficiencies result in reduced spend, and better patient experiences result in more returning patients, better online reviews, and a more profitable business.

Recruiting Quality Staff

Recruiting today is difficult across all healthcare roles. An organization that has fines and penalties against it will experience a reputational hit – making recruitment even harder.

Social media makes compliance deficiencies hard to contain, employee reviews on platforms such as Glassdoor can be negative based off poor training and experiences.

A compliance program will reduce areas of turnover due to:

- The lack of a code of conduct
- Unclear job descriptions
- Failure to follow governing standards



DOJ on **Evaluating Compliance**

The starting point:

- How the company has identified, assessed, and defined its risk profile
- The degree to which the compliance program devotes appropriate scrutiny and resources to the spectrum of risks

Prosecutors should consider if the organization's compliance plan:

- Is "designed to detect and prevent the particular types of misconduct most likely to occur in a corporation's line of business"
- "The effectiveness of the company's risk assessment and the manner in which the company's compliance program has been tailored based on that risk assessment"
- Whether its criteria is "periodically updated"

A person wearing a dark suit is shown from the chest down, holding a magnifying glass over a stack of papers. Their left hand holds the handle of the magnifying glass, while their right hand holds a pen, poised to write on the documents. The scene is set against a solid blue background, which also serves as the backdrop for the overlaid text.

“Prosecutors are instructed to probe specifically whether a compliance program is a ‘paper program’ or one ‘implemented, reviewed, and revised, as appropriate, in an effective manner.’”



Department of Justice

Yates Memo Holds Individuals Accountable

In order for a company to receive any consideration for cooperation under the Principles of Federal Prosecution of Business Organizations, the company must completely disclose to the Department all relevant facts about individual misconduct.

Consistent with this requirement, DOJ policy requires that a company “identify all individuals involved in or responsible for the misconduct” as a prerequisite to receiving any cooperation credit.

What's it Mean for the Board?

Boards of Directors are also coming under scrutiny and courts are showing a trend in holding board members responsible if they "should have known" about non-compliant behavior.

5-Year Corporate Integrity Agreement (CIA)

A noncompliant organization may be required to enter into a CIA

"...the Board shall retain an individual or entity with expertise in compliance with Federal health care program requirements (Compliance Expert) to perform a review of the effectiveness of NAHC's Compliance Program."

Obligations for Healthcare Directors

Private equity-backed healthcare has been on the radar of several government enforcement agencies for nearly 15 years. The U.S. Department of Health and Human Services Office of the Inspector General (OIG) documented their awareness of the increase private equity investment in the healthcare industry in SNIF work plans as early as 2009.



Compliance Enforcement

Department of Health enforcement in 2022 recovered
\$2.2B

- 2023 anticipated to bring more government actions and robust enforcement efforts

False Claims Act Civil Litigation Success

- 2021 DOJ collects **2nd largest** return from civil fraud cases – **\$5.6B**
 - **150% increase** from False Claims Act recoveries in prior year
 - **2nd time** since 1995 Government initiated non-gui tam matters.
- Of the \$5.6B, **\$5B** relates to the healthcare industry
 - Additional funds recovered for state Medicaid programs
- **\$70B** since Congress' revamp of the False Claims Act in 1986. Recoveries and fines are part of the government budget

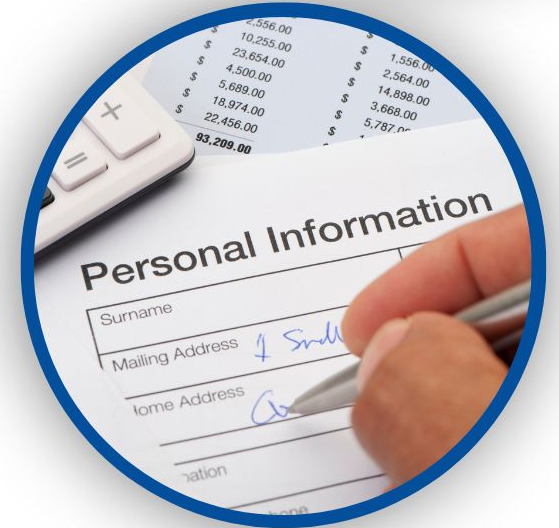


Fines on the Rise

Of the \$2.2 billion in False Claims Act settlements in 2022, over **\$1.7 billion** was related to matters involved in the **healthcare industry**.

The DOJ opened **more than 809** new criminal healthcare fraud investigations and **more than 477** defendants were convicted of **healthcare fraud** related crimes during 2022.

Medical clinic owner in Miami was sentenced to **5 years in prison** for submitting **\$40 million** in false claims to Unitedhealthcare and Blue Cross Blue Shield. They were also ordered to **forfeit \$8 million**, four real estate properties, and luxury vehicles.



“Private Equity Firms Must Face Whistleblower’s PPP Fraud Suit”

“EEG Testing and Private Companies Pay \$15.3 Million to Resolve Kickback and False Billing Allegations”

“Private Equity Firm and Former Health Centers Executives Pay \$25 Million Over Alleged False Claims Submitted for Unlicensed and Unsupervised Patient Care”

“Healthcare Executives Sentenced to Prison for Fraud LA Care, the Largest Publicly Operated Health Plan in the Country Paid \$1,300,000”

“Justice Department Charges Dozens for \$1.2 Billion in Healthcare Fraud”

“The \$16 Million Settlement Stems from a Series of Attacks in 2014 and 2015 that Potentially Exposed the Electronic Health Information of....”

The ROI of Compliance

Compliance spans an entire organization. Compliance isn't a department inside an organization, it is a partner to every strategic, growth and revenue-driving initiative.

- Smart compliance programs protect revenue by ensuring the right practices are executed in the right ways, thus minimizing risk
- The value of compliance is the impact of a loss *not recognized*. Clinical compliance prevents medical malpractice lawsuits, just as properly credentialing providers ensures excellence in care, following proper policy and procedure for coding prevents overbilling and paybacks
- Compliance manages risk and prevents loss to an organization



Technology and Compliance

The right technology solution should provide the compliance team with a meaningful dashboard so efforts can be disseminated to key stakeholders to show the value of the investment in compliance.

The compliance team should:

- Have a platform for tracking work plan progress and compliance initiatives in order to report in a meaningful way to the board
- Identify meaningful key performance indicators for the organization and use technology to track and analyze the data



Using the KPIs and reporting mechanisms, the compliance team can tie compliance efforts to key company goals and initiatives, giving compliance a meaningful seat at the table.

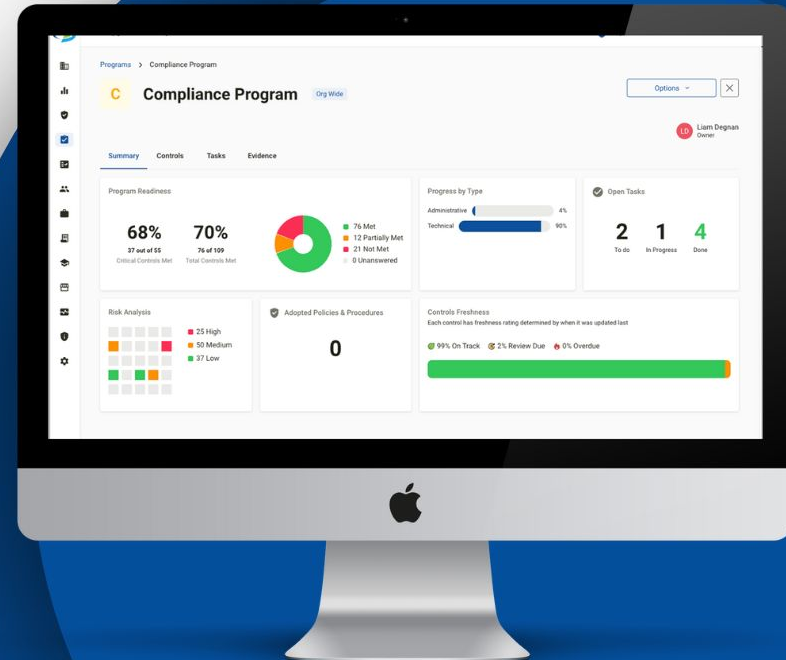
Compliancy Group's Software

Compliancy Group's software simplifies the tracking of compliance efforts that prove effective compliance – ultimately providing a defense, and protection.

Effective compliance should cover the entire organization – the software keeps compliance efforts organized, supports planning and execution, audits and monitoring – thus mitigating risk.

All compliance work serves to support and protect the profitability of the company.

Utilization of a software solution not only reduces the risk on non-compliance, but also streamlines the process which ultimately reduces the number of FTEs required to oversee the ever-changing compliance rules and regulations.



Assess & Manage Risk

Policies
and
Procedures

Risk
Assessments

Corrective
Action Plans

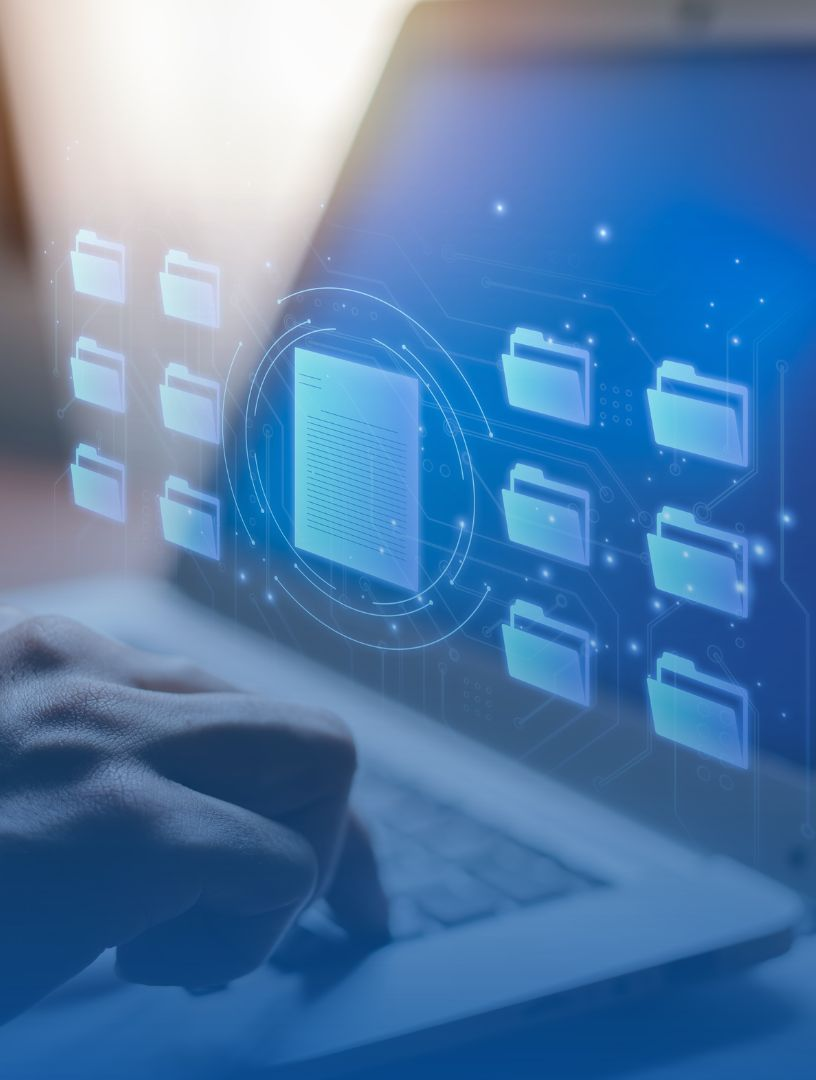
Incident
Management

Vendor
Management

Training

Compliance Training & Management

- Easily train staff across multiple locations, while tracking individual progress
- Support your Compliance Officer by keeping the work plan on track – triggering due dates, organizing documents, and tracking incidents



Document Management & Compliance Reporting

- Templated documents or upload your own
- Organize and access all compliance documents in one place
- Pre-configured reporting templates make effective reporting simple
- Includes advanced scheduling and snapshot options to meet your compliance objectives

Increased Efficiency

- 92% more efficient
- Automated process with real time updates
- Live status updates vs manual or annual process

"Compliancy Group's software is exactly the answer I was looking for to create and manage my policies and procedures. Working with them saved me at least three years of work"

- Clive Wilby, Compliance Officer, Alabama Cancer Centers.

Client Success Story

Who: Compliance Officer for a mid-market business, Alabama Cancer Center

What: After completing the SRA fully realized the extent of their remediation needs. Using Compliancy Group, he was able to save three years of work, didn't have to hire additional staff to keep tabs on his ongoing compliance, and had employee training assigned without hassle.

Outcome: With his purchase of Compliancy Group's software, ACC was able to confidently complete all necessary steps for HIPAA compliance. They were able to save time and money, and are able to sleep better at night knowing that the organization has a plan in place.

The big thing is, 'hey, do you want to get on the wrong side of HIPAA?' or can you have a system that interjects? So you, as CEO or Financial Manager, you can sleep a little better knowing that there's something in place."

-Alabama Cancer Center



Need Help Tracking and Managing Your Compliance? Contact Compliancy Group Today!



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