An Integrated Approach to Compliance & Risk Management

Keisha Lightbourne, JD, MHA, CHC
Tim Kennedy

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Welcome

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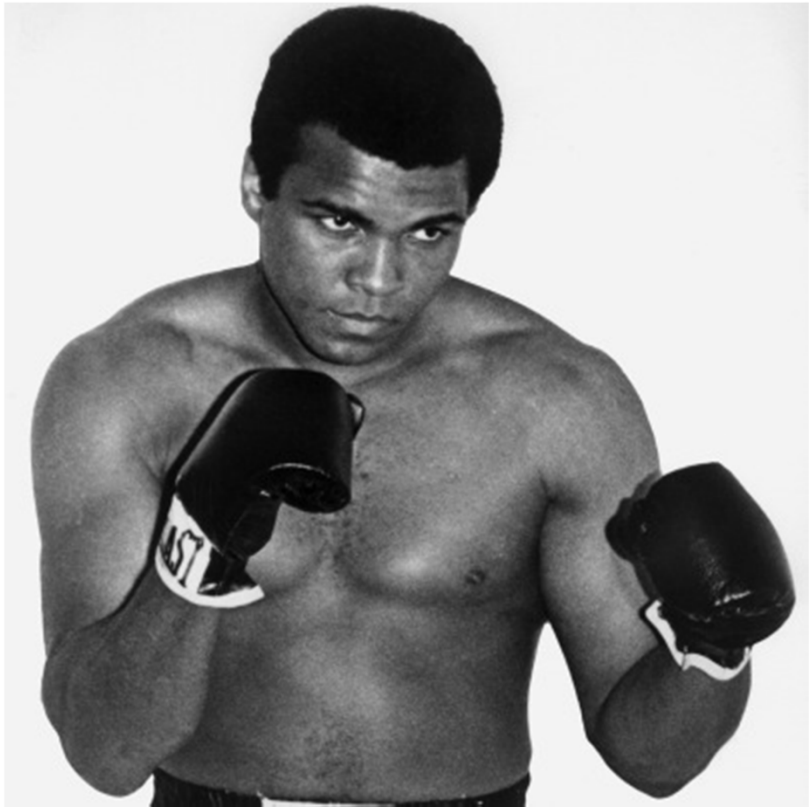
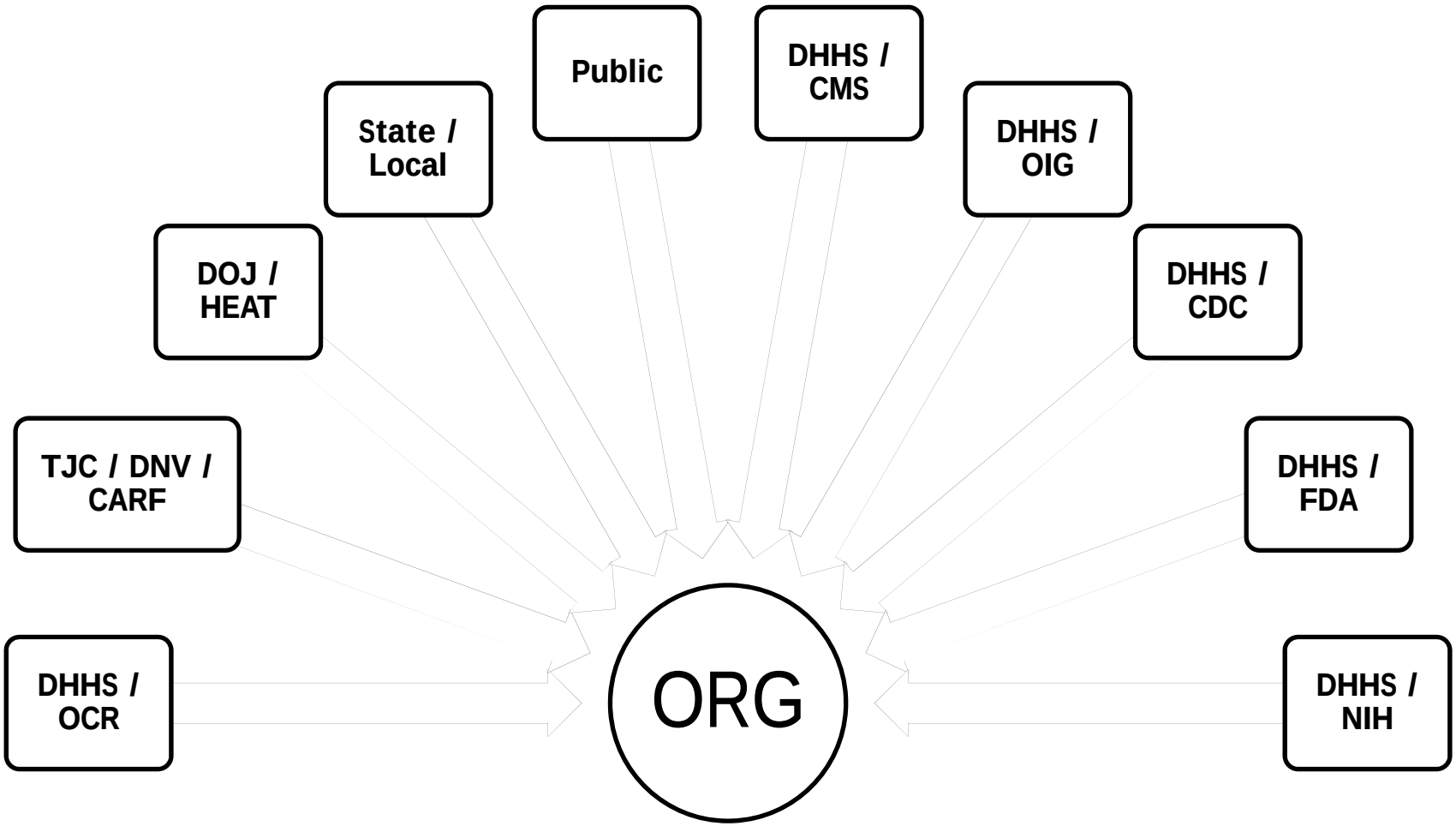
"It isn't the mountains ahead to climb that wear you out; it's the pebble in your shoe."

—Muhammad Ali



What's the pebble in your shoe?

State of Healthcare



Proactively Staying Ahead the Curve

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- Educating your stakeholders
- Tapping rich resources of information within your organization
- Establishing clear roles and responsibilities
- Leveraging technology
- Communicating with your entire organization via reporting and dashboards

Key Definitions

- **in•te•grate (v.)** – to bring together or incorporate into a unified, harmonious, or interrelated whole or system.

- **proc·ess (v.) –** to handle (papers, records, etc.) by systematically organizing them, recording or making notations on them, following up with appropriate action, or the like.

Session Objectives

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- Learn how to align people, processes, and technology to extend visibility of risk across the enterprise.
- Learn the critical technology components necessary to the implementation of a successful enterprise-wide compliance program.
- Understand the potential return on investment that can be achieved through alignment and integration.

Align for Enterprise-Wide Risk Visibility

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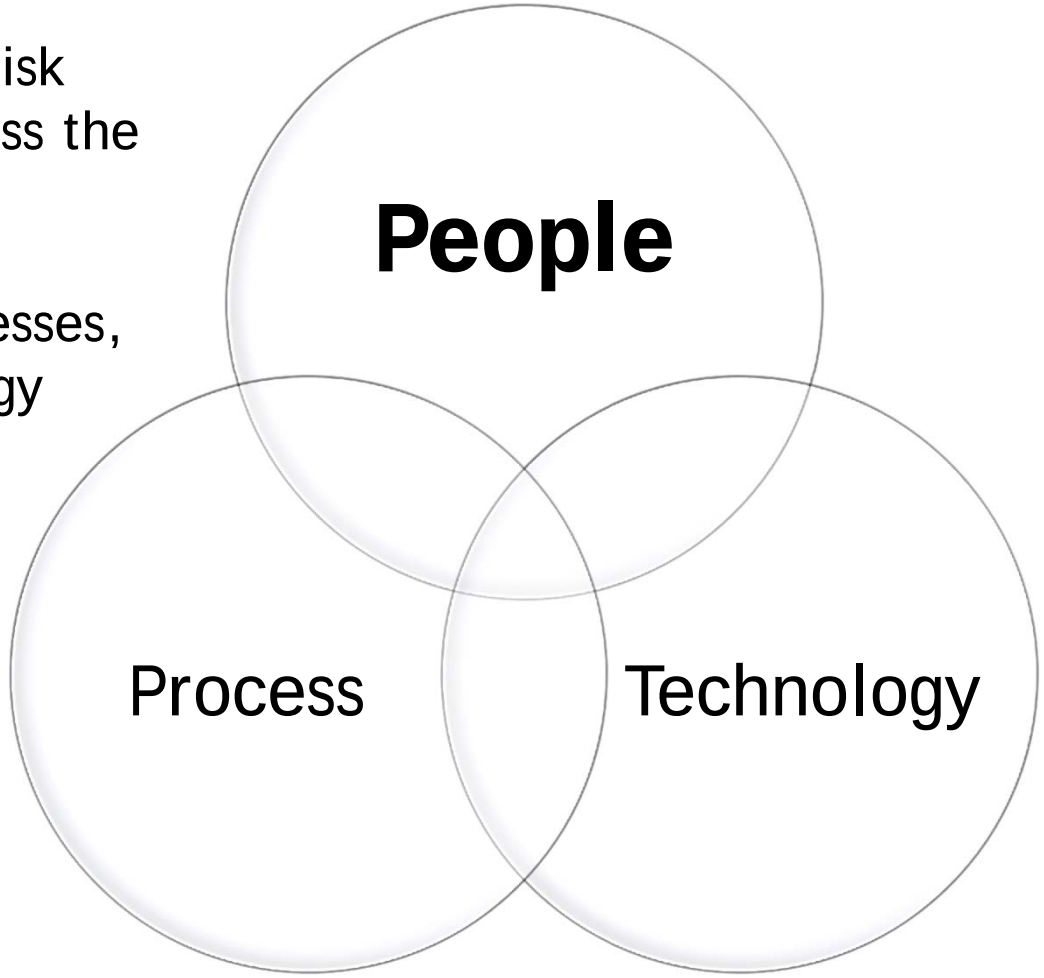
Extend your risk visibility across the enterprise by aligning your people, processes, and technology



Silos Still Prevalent

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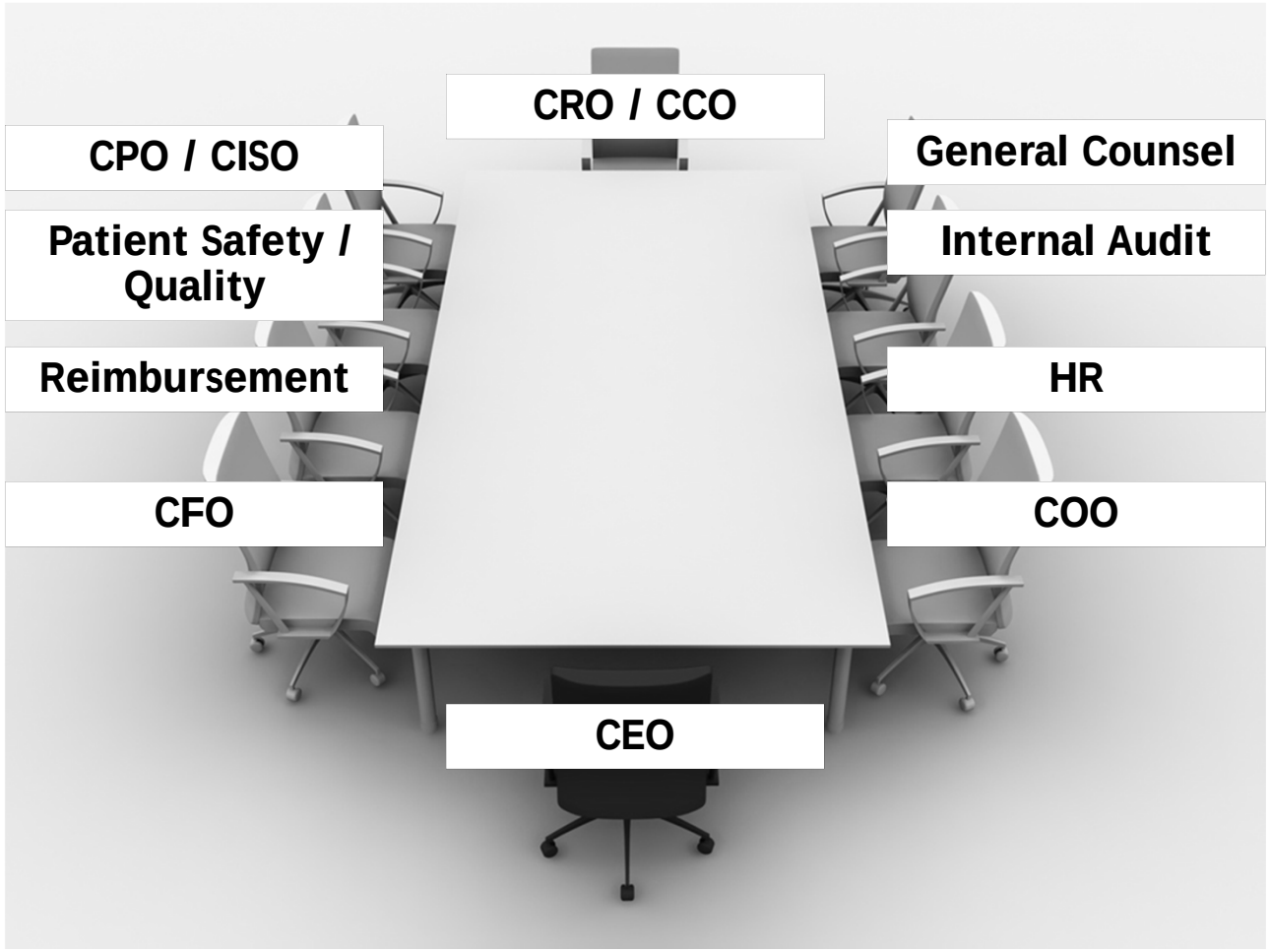
Silos = Lack of visibility

Inefficient use of resources

Different processes trying to achieve a common goal

Integration and Alignment



Issues & Investigations (People)

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- Scenario: Patient A presents to ER with an infection. After admission, Patient A dies.
- What happens next?
  - Quality does a root cause analysis. They find that Patient A was a research patient on an investigational drug (which was noted in his chart). During the ER visit, Patient A received treatment that had a severe interaction with the investigational drug and died.
  - Quality reports the incident to the State as required by law.
  - A review of the treating personnel should be done. This may involve the Medical Board and Legal. This may also involve HR.
- What else should happen?
  - The IRB should be notified so that they can also do a review and report to the Sponsor.
  - Research compliance doing a review on why Researcher did not report sooner.

Risk Assessment (People)

- Scenario: Accreditation preparation process. VP of Accreditation is leading an effort to review all standards prior to an on-site accreditation survey. Concurrently as part of their annual assessment process, Compliance is doing a CoP risk assessment.
- What happens next?
  - Burdening the same subject matter experts with similar questions (e.g., Standards and CoPs are very similar).
  - Resource intensive review might include on site observations.
- What could have happened?
  - Accreditation and Compliance could coordinate and/or leverage the information gathered.
  - Assess once, report many!

Compliance Awareness (People)

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- It's not just about the Hotline anymore…
- Changing regulatory environment often means changing policies.
  - How do you create a culture of compliance awareness to ensure that people maintain current knowledge of policies and procedures?
- Helping employees solve ethical dilemmas or understand complex compliance policies.
- Empower employees to act as compliance officers all over the organization.
- Communicate previously identified risks and their solutions to assist employees in preventing risks.
- Extend visibility and reputation of compliance across organization.

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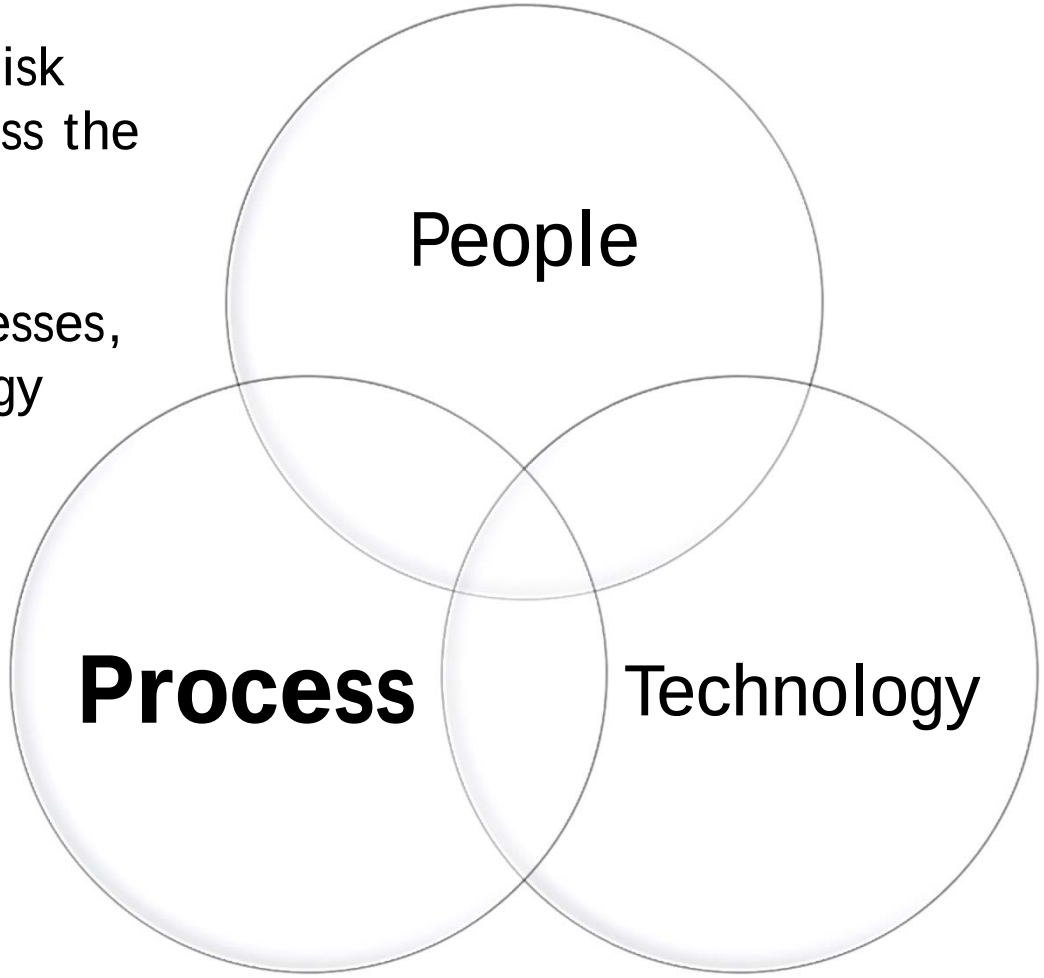

Define Your Strategy (Process)

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- Obtain leadership buy-in
  - Help them understand need/help silos work with each other
  - Eliminate turf war issues
- Define which risks and requirements are relevant to the organization
  - What regulations apply to my organization?
  - CCO is the thought leader here!
- Establish risk appetite
  - Tolerance levels
  - Example: HIPAA Authorization & TPO
- Establish risk ownership
  - Who is the Subject Management Expert?
  - Who is responsible for fixing, if broken?

Define Your Strategy (Process)

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- Create a policy that defines:
  - How often you will assess
  - Who is responsible for leading the process
  - Who the Subject Matter Experts are
  - A common risk taxonomy/language
    - Identify the organization's risk areas
    - Quantify risk (objectively and subjectively)
    - Establish when risk becomes a priority

Workflow Analysis (Procedure)

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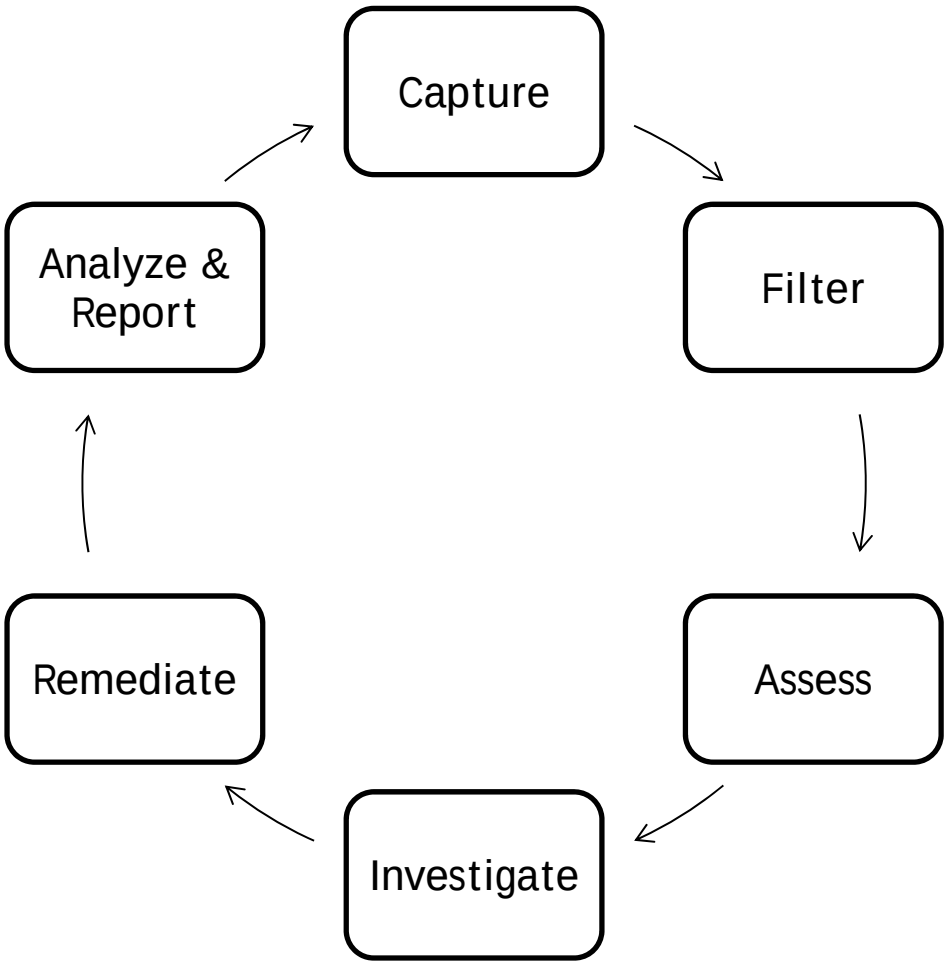
- Established the Who, What, and When in Policy
- Now establish the HOW…
  - How will you capture risks?
  - How will you filter?
  - Define your corrective action process.
  - Choose root cause analysis methodology.
  - How will you communicate your findings?
- Technology can be leveraged for workflow "automation", but you need to know where you are going and why.
- Plan ahead—do some workflow analysis before you select technology solution(s) to help define your requirements and who can meet them
  - Many available methods and tools (Visio, Swimlanes, etc.)

Executing the Strategy



Capture (Process)

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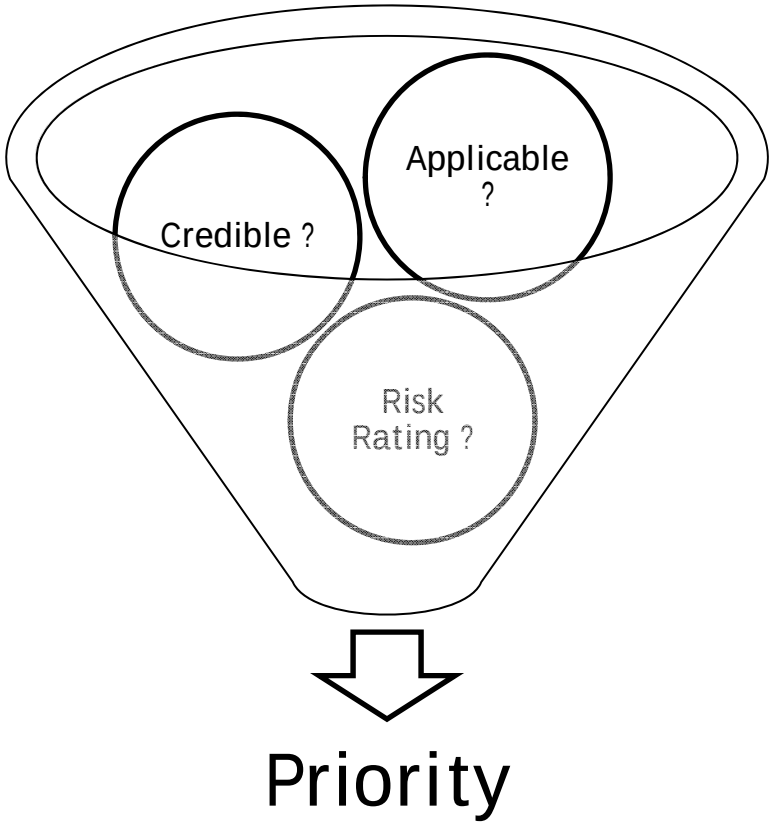
- Multiple sources of information available for risk awareness
  - Internal Intelligence
    - Employee surveys / exit interviews
    - Self-assessment / monitoring
    - Hotline / helpline
    - Chatter / walk-ins
  - External Intelligence
    - Networking with peers / daily bulletins, newsletters, etc.
    - Current events / social media
    - Continuing education (e.g. HCCA Compliance Institute)
    - Audits
  - Internal Controls
    - System configuration
    - Policies & procedures
    - Automated breach detection
  - External Controls
    - Government regulations

Filter Identified Risks (Process)

- Does it apply to the organization?
- How credible is it?
- What risk area?
  Who is the Subject Matter Expert?
- What is the probability, severity, and exposure?
  - e.g. Kinney Method
- What is the priority?



Assess

- Detailed review of present & future risks of occurrence
  - How did we get here in the first place?
- Detailed review of impact
- Review of existing controls
- Review of legal constraints

Investigate

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- Should this fall under privilege?
- Is interim relief needed to prevent retaliation?
- What type of investigation?
  - Crisis = External
  - Significant = High level internal
  - Serious = Low level internal
  - Routine = Department manager, supervisor
- Other considerations?
  - Bias, seniority, specialized skills needed, etc.
- Review any pertinent documentation, regulations, policies
- Conduct all necessary interviews
- Establish a chronology
- Complete report

Remediate (Process)

- Identify possible corrective actions
- Determine the most cost effective, practical, and feasible solution
- Obtain the needed buy-in
- Create and manage the action plan, the milestones, timeline, and responsible parties
- Complete and close

Analyze & Report (Process)

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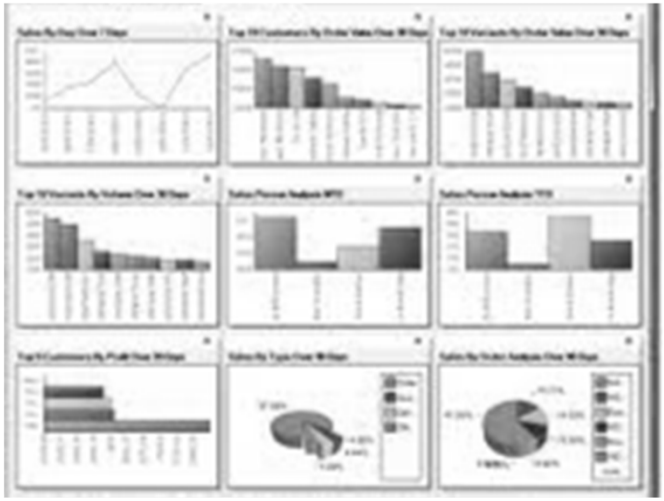
- Update all related documentation: controls, policies, procedures
- Examine trends across organization
- Implement CAP across the enterprise if necessary
- Quantify cost savings and risk mitigation to demonstrate effectiveness
- Ensure transparency to inform and prevent future occurrences



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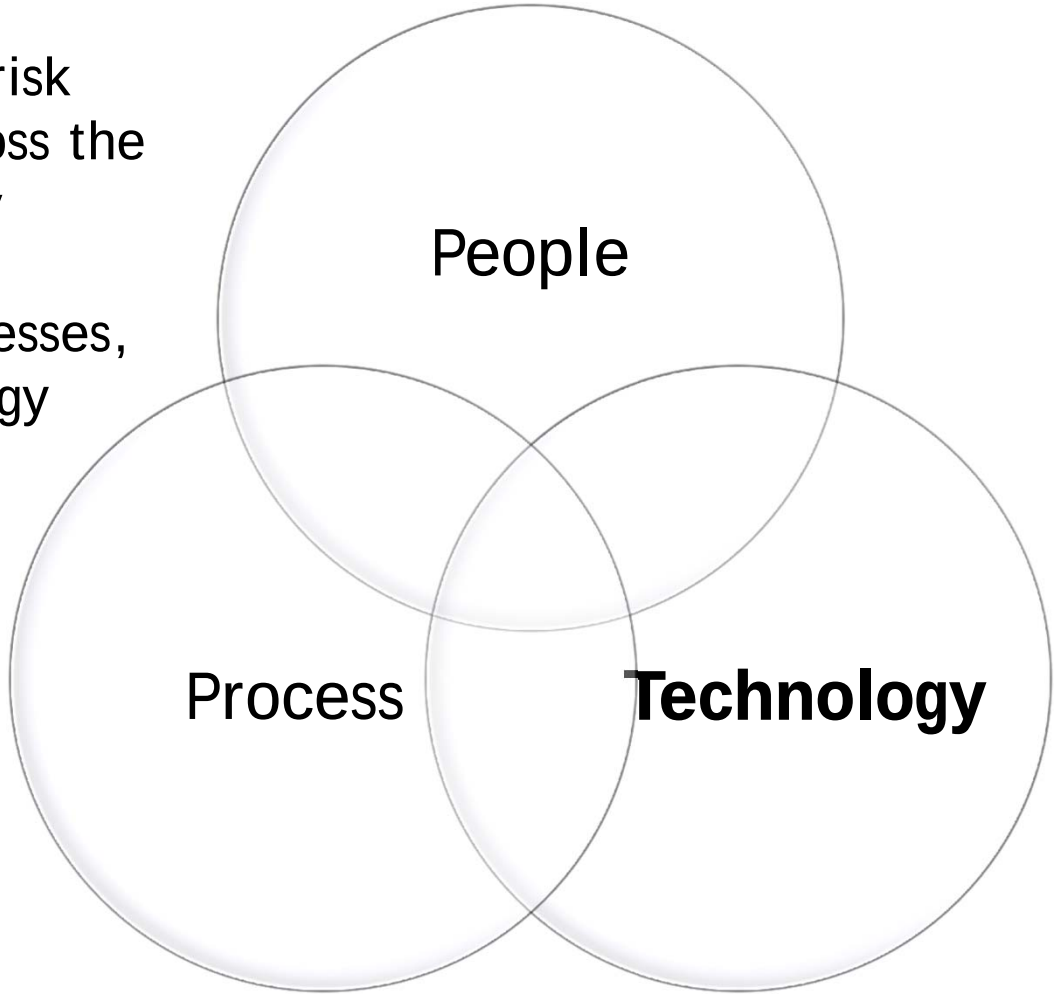

Why Leverage Technology?

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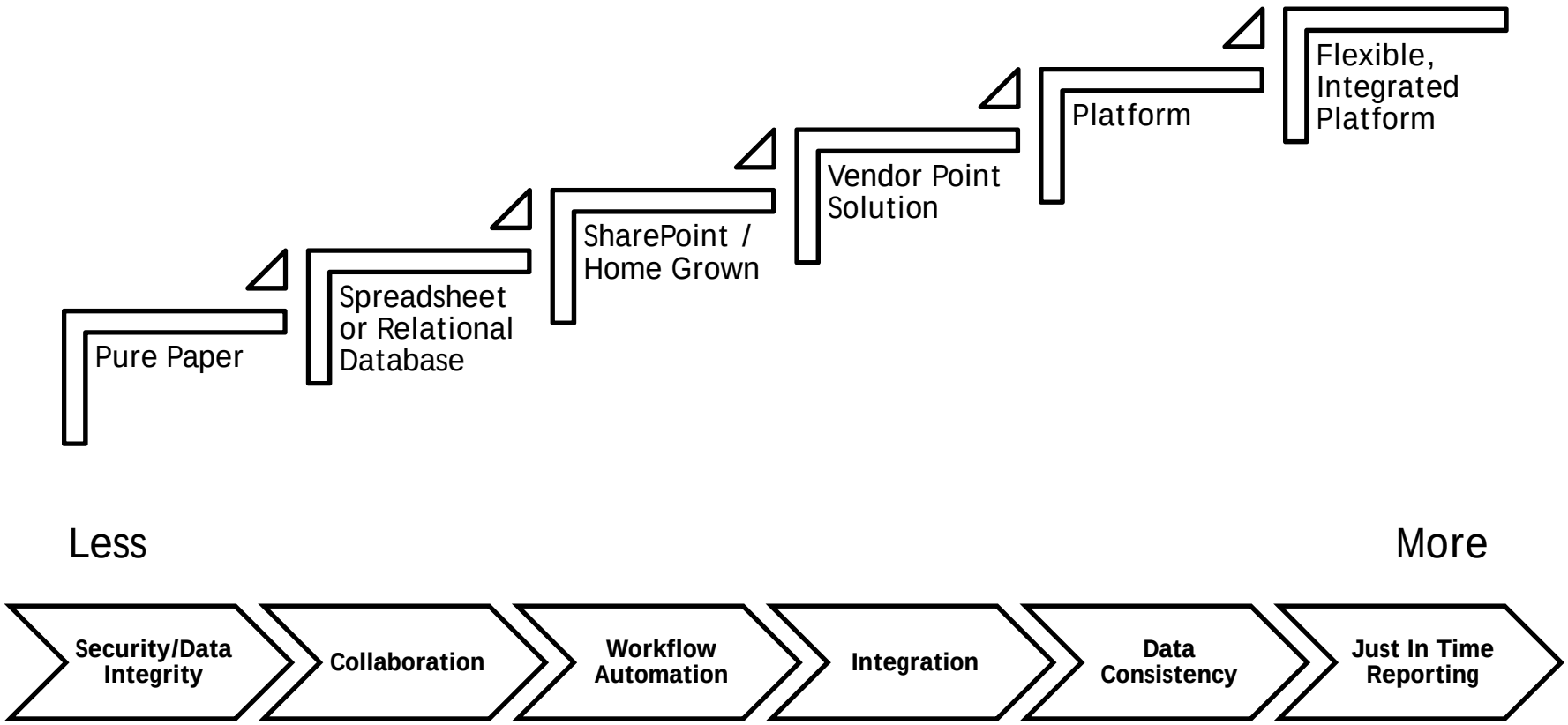
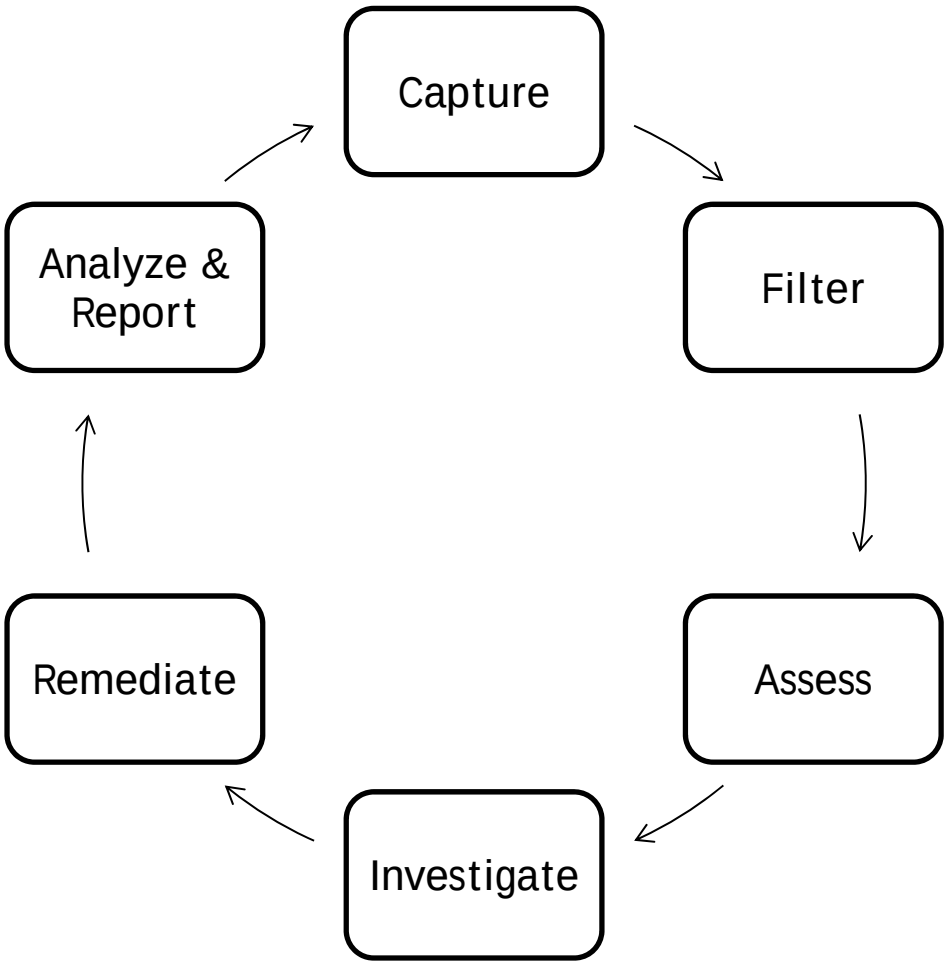
- Promotes a culture of compliance and visibility across the enterprise
- Enables the distribution and sharing of information
- Creates a collaborative, transparent environment (beyond email)
- Ensures consistent processes, including field validation
- Workflow automation
- Achieve real-time compliance monitoring
- Aggregating historical data for forecasting and analysis
- Eliminate redundancy

Technology Continuum



Execute the Strategy by Leveraging Technology



Strategy through Technology

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- Capture
  - Utilize mobile accessibility to report items any time, anywhere.
  - Get immediate notification and/or tasks related to high risk items.
  - Segregate information on need-to-know basis.
- Filter
  - Utilize rules engine to float your highest priority risk to the top.
  - Automatically categorize issues into risk areas matching your taxonomy.
  - Flag items requiring Attorney-Client privilege immediately.
- Assess
  - Utilize expert content to maintain consistency and accuracy.
  - Simultaneously send risk assessments to various Subject Matter Experts.
  - Automate expiration of controls & policies to ensure continuous review.

Strategy through Technology - continued

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- Investigate
  - Tap into historical data and documents.
  - Access central repository for critical documentation.
  - Ensure the integrity of documentation for future litigation.
- Remediate
  - Utilize historical solutions to eliminate redundancy.
  - Collaborate across organization to manage the process and its approval.
  - Store data on remediation costs and effectiveness.
- Analyze & Report
  - Maintain pulse on Key Performance Indicators for organization.
  - Find indicators across organization that risk exists elsewhere, thereby creating opportunity for proactive approach.
  - Automatically distribute quarterly Board Reports.

Evaluating the Technology

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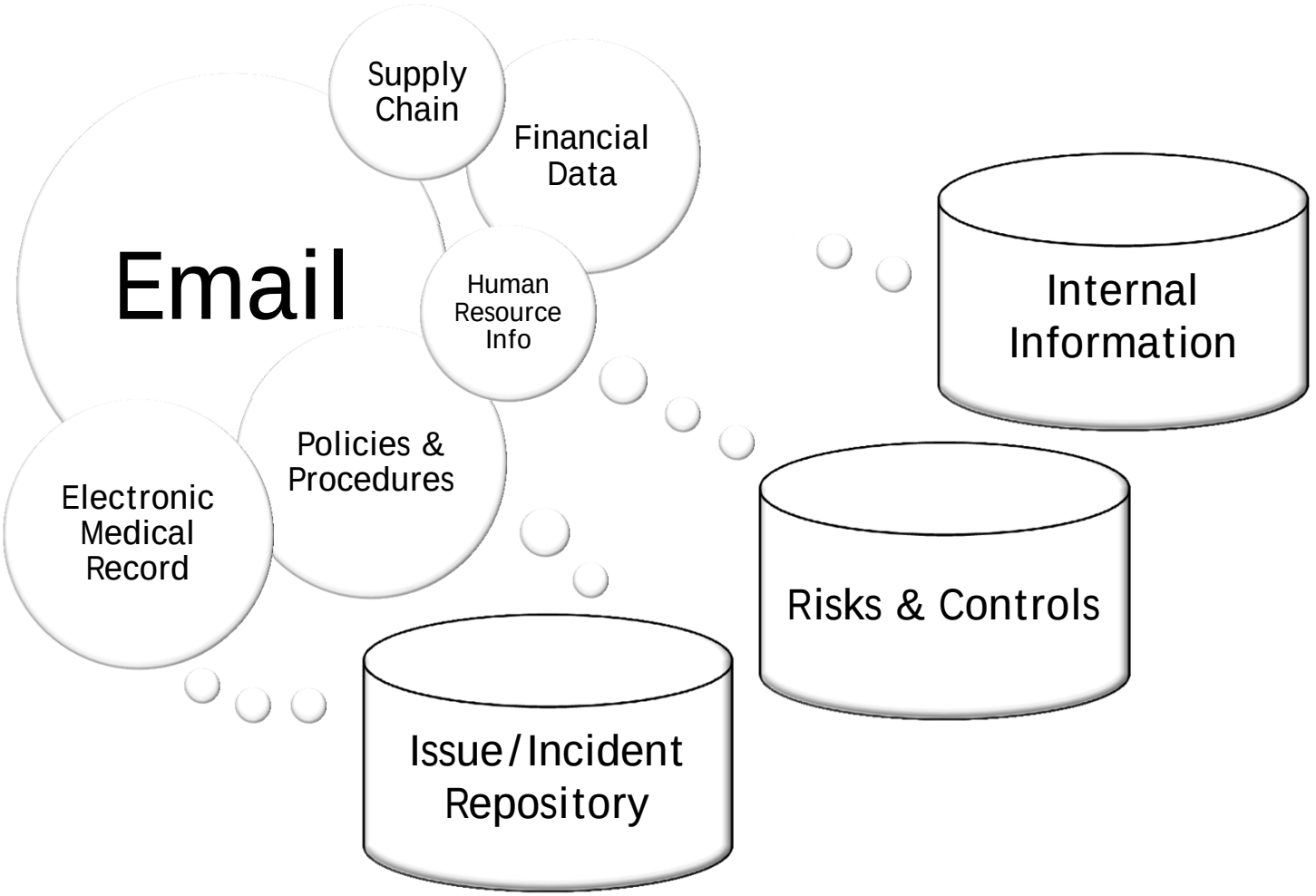
- Basic technology requirements
  - Version control & archiving
  - Security
  - Accountability via audit-trail (who did what, when)
  - Consistent workflow (adherence to policy)
  - Templates
  - Workflow automation
  - Electronic content delivery (push and pull)
  - Business Intelligence layer
- Analyze & report
  - Key Performance Indicators
  - Dashboards
  - Flexible reporting engine
  - Dynamic search and filter capability
  - Mobility: iOS, Android, and/or HTML5 formats

Technology Platform



Four Step Process for Vendor Evaluation

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- Evaluate your business needs
  - Create evaluation team of key stakeholders
  - Create a set of requirements (business & technical)
  - Create a scorecard containing requirements including
    - Total cost of ownership
    - Usability
    - An evaluation of vendor health
- Request & assess offers
  - Request proposals
  - Eliminate vendors who do not meet “must have” requirements
  - Document rationale for vendor selection/elimination
- Vendor interviews & proof-of-concepts
  - Consider creating scenarios for vendor to show
- Present your findings to decision-making leadership

Key Attributes of Good Vendors

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- Underlying technology is complete and based on current technology standards
- Customization vs. configurability
- Easily or quickly integrates with other key systems – e.g., HRIS
- Has a reputation for providing support
- Has a clearly defined implementation process / project management ownership
- Pricing structure and contract length
- Clearly outlines hosting structure and meets higher than industry standards for hosting if offered

Understanding & Communicating Your ROI

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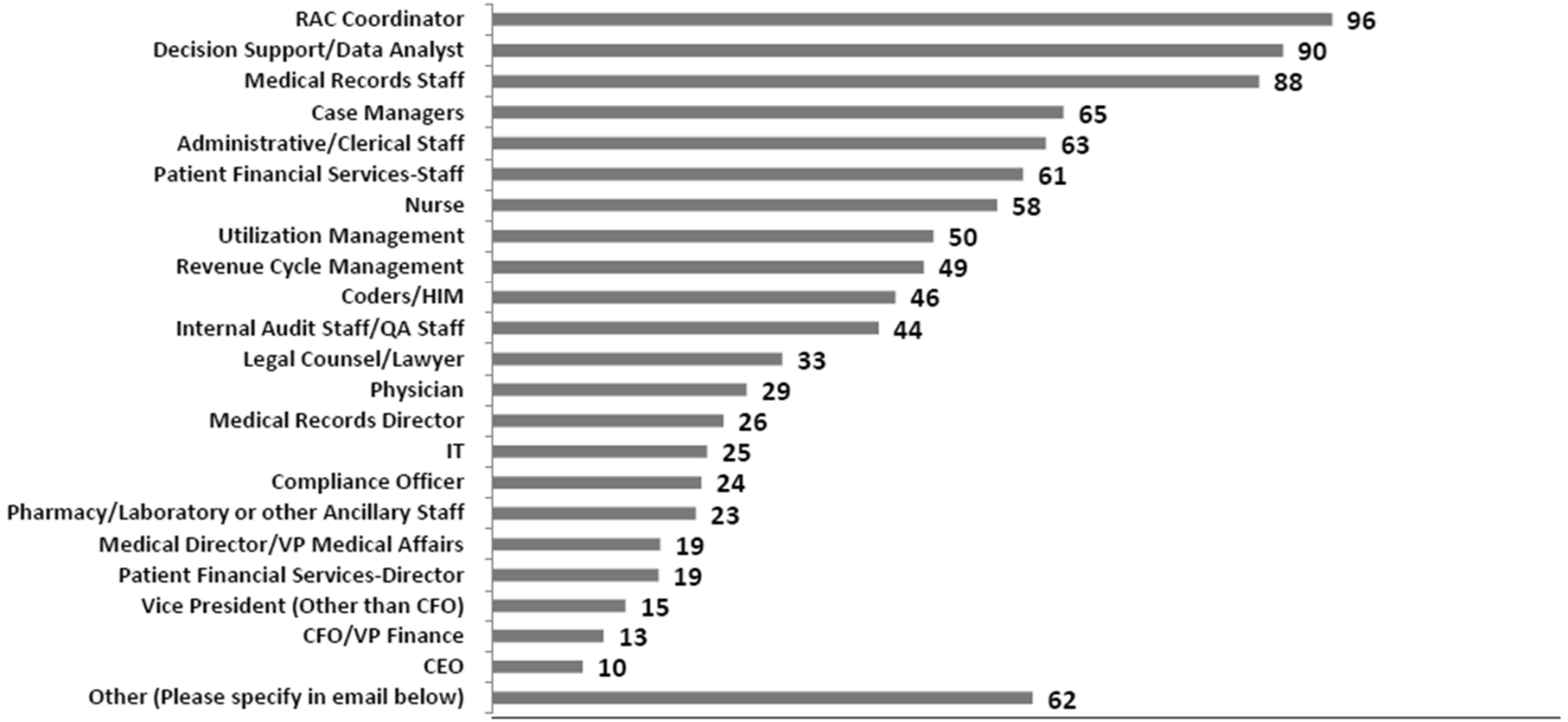
- Efficiency benefits
  - Reduced costs due to consolidated subscriptions
  - Reduced costs for external auditors
  - Improve information transparency
  - Optimizing processes
    - Automation of common, repetitive tasks (approval process, routing, etc.)
    - Common taxonomy means common report language
    - Improved agility in report writing due to central repository
- Risk reduction benefits
  - Higher quality information means fewer incidents, fewer fines, protection of revenue
  - Increased accuracy
- Strategic performance benefits
  - Improved culture of compliance means better reporting
  - Improved or protected reputation leading to more lucrative relationships
  - Improved quality of care over time

Hospital staff spend hundreds of hours responding to RAC activity.

Average Hours of Staff Time Spent Per Participating Hospital* on RAC by Staff Type, 3rd Quarter 2012



** Includes participating hospitals with and without RAC activity*

Source: AHA. (October 2012). RAC*TRAC* Survey
AHA analysis of survey data collected from 2,307 hospitals: 1,961 reporting activity, 347 reporting no activity through September 2012. 1,299 participating hospitals this quarter. Data were collected from general medical/surgical acute care hospitals (including critical access hospitals and cancer hospitals), long-term acute care hospitals, inpatient rehabilitation hospitals and inpatient psychiatric hospitals.

Integrating Risk & Compliance

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- People
  - Risk identification & mitigation is a team sport.
  - Culture of compliance requires full participation.
  - Deputizing everyone means information gets to you faster, which means you can act faster.
- Process
  - Assess where your organization is and what it needs.
  - Create a repeatable written strategy that stakeholders can swallow.
  - Embed a review process into your strategy to allow for change.
- Technology
  - Use it where and when you can to enhance efficiency, increase transparency, and improve accuracy.
  - Evaluate it to ensure you are achieving your specific goals.
  - Know how to communicate potential ROI to leadership.

Build a Better, Stronger, Faster Risk Machine…

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Questions?

Additional Questions?

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- Keisha A. Lightbourne, JD, MHA, CHC
  Practice Lead, Governance, Risk & Compliance Solutions
  Health Portfolio
  Wolters Kluwer Law & Business
  keisha.lightbourne@wolterskluwer.com

- Tim Kennedy
  Director of Professional Services
  Health Portfolio
  Wolters Kluwer Law & Business
  tim.kennedy@wolterskluwer.com