

**IMMERSION SESSION –  
LARGE HOSPITALS AND HEALTH SYSTEMS**

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## **Overview**

- Best Practices for Compliance Program Structure and Content Specific to Large Hospitals
- Internal Issues re: Large Hospitals and Health Systems' Compliance Programs
- External Issues re: Large Hospitals and Health Systems' Compliance Programs
- Six Key discussion topics – Goal is to leave you with “best practices” on a variety of topics relating to large hospitals and health systems

## **Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems**

- Ideas, tools & best practices
  - Education & Training
  - Effectiveness
  - Risk Assessments
  - Policies & Procedures
  - Monitoring & Auditing
  - Board Support of Compliance Program
  - Hot Topics

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## **Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems**

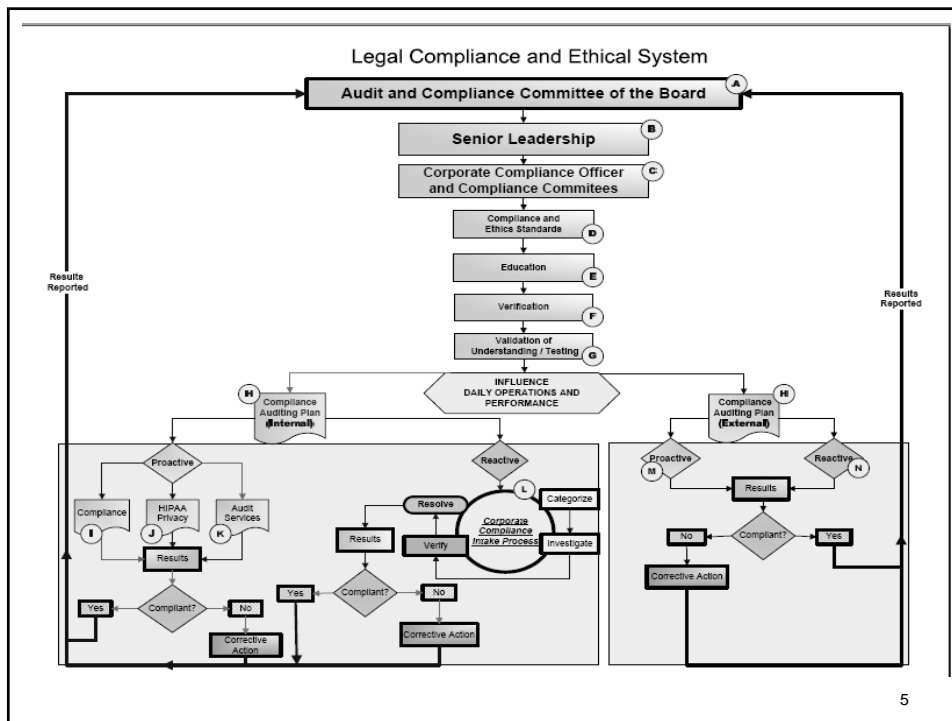
- Education & Training (a discussion of approaches to the unique challenges of large systems)
  - Content
    - How do you keep content creative and fresh?
    - What format/style do you use?
    - Topics:
      - Do you effectively integrate P&Ps, hotline and auditing trends, and the Code?
      - Are you focusing on improving outcomes (accuracy in coding, billing, etc.)?
    - Purchased content or developed?
      - Has anyone found a good product/vendor they are using?
  - Methodology
    - Web based applications require Learning Management Systems (LMS). What vendors are making it easy?
    - How often (annual, quarterly?) and what topics are you focusing on?
    - Do management and staff have different education?
  - CIA Requirements (how do you handle CIA challenges)
    - Specific staff with more specialized education (coding, billing, cost reporting)
    - New hires, returns from LOA, promotions to management positions

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## Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems

- Effectiveness (can you answer the tough questions?)
  - How do you know your organization is ethical?
  - How do you know your compliance program is effective?
    - Measurement
      - What are you measuring? 7 elements? Culture to do the right thing? Awareness?
      - What are you benchmarking?
      - What tools do you use?
    - Methodology
      - Focus on an effective process for preventing, detecting and correcting?
      - Example: Demonstrating process to Malcolm Baldrige

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## **Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems**

### **■ Risk Assessments**

- What are you assessing and how often?
  - External Risks
    - OIG, DHS, Patients/ stakeholders, competitors/ vendors
  - Internal Risks
    - Internal practices
- Internal or external?
  - Based on expertise
  - Who are the best external auditors?

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## **Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems**

### **■ Policies & Procedures**

- What policies do you have?
  - Gifts
  - Conflict of Interest
  - Deficit Reduction Act
- Can you demonstrate that you follow your policy consistently?
- How do you document compliance with the policy?
- Example: Sharp's Policies

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NUMBER	TITLE	LAST REVIEW DATE	NEXT REVIEW DATE
<b>CORPORATE COMPLIANCE</b>			
01213.00	ETHICAL PRINCIPLES IN THE PROVISION OF HEALTH CARE SERVICES	Sep-06	Sep-07
01506.39	COMPLIANCE RELATED GOVERNMENT INVESTIGATIONS	Sep-06	Sep-07
01507.39	COMPLIANCE CONNECTION HOTLINE	Sep-06	Sep-07
01509.00	COMPLIANCE PROGRAM	Sep-06	Sep-07
01510.00	COMPLIANCE / PRIVACY; EDUCATION & TRAINING	Sep-06	Sep-07
01512.39	COMPLIANCE: AUDITING & MONITORING	Sep-06	Sep-07
01513	ARTIFISIST	Sep-06	Sep-07
01514.39	COMPLIANCE AND PRIVACY REPORTING INVESTIGATIONS NON-RETALIATION	Sep-06	Sep-07
01516.00	DISCIPLINARY ACTION FOR NON-COMPLIANCE (REIMBURSEMENT CLAIMS)	Sep-06	Sep-07
01521.00	ETHICS IN STANDARDS OF PROFESSIONAL BILLING	Sep-06	Sep-07
01522.00	PROFESSIONAL BILLING: REQUIRED DOCUMENTATION OF PROFESSIONAL SVCS	Sep-06	Sep-07
01524.39	MEDICAL NECESSITY	Sep-06	Sep-07
01525.39	EMPLOYEE - CONTRACTOR SANCTION SCREENING	Sep-06	Sep-07
01526	GIFTS AND GRATUITIES	Sep-06	Sep-07
01527.39	ADVANCE BENEFICIARY NOTICE - ABN	Apr-06	Apr-07
01528	COMMITMENT TO PRINCIPLES ( CODE OF CONDUCT )	Sep-06	Sep-07
01529	FEDERAL HEALTH CARE PROGRAM OVERPAYMENT REPORTING	Sep-06	Sep-07
01530	CORRECTION TO FEDERAL HEALTHCARE PROGRAM OVERPAYMENTS AND UNDERPAYMENT REIMBURSEMENT COMPLIANCE WITH FEDERAL, STATE & LOCAL LAWS (at HOME CARE)	Sep-06	Sep-07
36130	CARE)	Sep-06	Sep-07
363003	LABORATORY REFLEX TESTING - MEDICAL NECESSITY	Sep-06	Sep-07
N/A	MODIFYING DIAGNOSTIC IMAGING TEST ORDERS	N/A	N/A
N/A	ORDER REQUIREMENTS FOR OUTPATIENT DIAGNOSIS TESTS	N/A	N/A
01531.39	OIG / GSA EXCLUSION REVIEW & SCREENING FOR INELIGIBLE PER:	Sep-06	Sep-07
<b>COST REPORT / BILLING</b>			
10516	COST REPORT PREPARATION GUIDELINES (Standardized Work Paper)	Sep-06	Sep-07
10519	COST REPORT REVIEW	Sep-06	Sep-07
10520	IDENTIFICATION OF NON-ALLOWABLE COSTS	Sep-06	Sep-07
10521	SUBMISSION OF COST REPORT	Sep-06	Sep-07
10522	COST REPORT DISCLOSURE PROCEDURE	Sep-06	Sep-07
10523	ERRORS IN COST REPORTING	Sep-06	Sep-07
<b>CODING</b>			
12030.39	INTERNAL CODING PRACTICE - DATA QUALITY	Sep-06	Sep-07
12031.39	CODING GUIDELINES FOR BACTERIAL PNEUMONIA	Sep-06	Sep-07
12032.01	COMMUNICATIONS BETWEEN PHYSICIANS AND CODING STAFF	Apr-05	Under Review, 3/06
12033.39	ORIENTATION AND CONTINUING EDUCATION FOR CODING	Sep-06	Sep-07
12035.39	OBSERVATION AND EVALUATION CODING	Sep-06	Sep-07
12039	CODING COMPLIANCE PLAN	Sep-06	Sep-07
12034.39	CODING AUDITS FOR QUALITY & REGULATORY COMPLIANCE	Sep-06	Sep-07
<b>HIPAA PRIVACY</b>			
01950.39	CONFIDENTIALITY OF PROTECTED HEALTH INFORMATION	Apr-06	Apr-07
01951.39	HEALTH INFORMATION: ACCESS, USE & DISCLOSURE	Apr-06	Apr-07
01952.39	HEALTH INFORMATION: DISCLOSURE OF PATIENT INFORMATION TO THE PUBLIC & MEDIA	Apr-06	Apr-07
	HEALTH INFORMATION: DISCLOSURE TO LAW ENFORCEMENT		

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## Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems

### ■ Monitoring & Auditing

- Do you data mine?
- Are you using a compliance report card?
- Where do you focus your attention?
  - Complaints
  - Risk assessments or audits
  - Published risk areas
  - Recent settlements
- How much of your time is spent auditing?
- How do you use the results?
  - How well is it shared for inter-departmental learning purposes?

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## **Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems**

- Board Support of Compliance Program
  - How do you raise awareness, sophistication and engage participation from your Board?
    - Education
      - How often do you educate vs communicate with the Board?
      - What topics have you found success?
        - Ethics
        - Recent settlements
    - Communication
      - Does the Board see the Report Cards?
      - Does the Board approve all initiatives?
      - Is Board involved in strategic planning?

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## **Best Practices for Compliance Program Structure Specific to Large Hospitals and Health Systems**

- Current Hot Topics & Compliance Trends
  - How do you stay current with the hot topics?
  - How are you managing the trends? Staff, resources, support?
    - Ethics
    - Clinical Trials
    - Quality Issues
    - Coding and Documentation Programs
    - SOX

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## **Internal Issues re: Large Hospitals and Health Systems' Compliance Programs**

- Corporate board vs. governing board
- Interface with Departments of the hospital and systems (quality, law, H.R.)
- MEC and compliance officer oversight of quality of care issues

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## **Corporate board v. governing board**

- Roles and duties of corporate board and governing board in supporting compliance program
- Reporting information to corporate board
- Reporting information to governing board
- Conflict?

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## **Compliance “Effectiveness”**

- Key Points from the Centers for Medicare and Medicaid Services
- Site Visit Pilot Program (2005)

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## **CMS Site Visit Observations**

- Buy-in from the top
- Hospitals currently or previously under a CIA understood the importance of an effective compliance program
- Compliance Officer should be known within the organization

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## **CMS Site Visit Observations (cont'd)**

- Compliance and role of Compliance Officer still a challenge in the clinical community
- CO must have free access to board members and/or CEO
- Accountability of department managers for compliance related issues

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## **CMS Site Visit Observations (cont'd)**

- Audit Issues – integrated auditing approach
- Type of audits should be shared across the organization among the departments
- Accountability for the compliance program exists at a senior management level, however, there is some variation as to board involvement

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## Corporate Compliance Projects Log

As of

*Sample Format for Audit Committee*

### STATUS OF MAJOR COMPLIANCE MATTERS

	Matter	Description	Risk	Actions Taken	Estimated Completion
1	Compliance Guidance: Staff interactions with medical vendors	Federal and state laws and industry compliance guidelines apply to certain business interactions between medical vendor sales staff and their customers. <ul style="list-style-type: none"> <li>Staff guidance document distributed addressing medical vendor voluntary compliance standards for sales and marketing personnel.</li> <li>Additional training for Staff under development</li> </ul>	H		
2	Compliance Program Update for (insert calendar year)	Annual update by Office of Corporate Compliance/Privacy Office to Divisions, Departments, Financial Managers, and Reimbursement Specialists. Emphasis on: OIG Work Plan Review, Professional Coding, Clinical Research, and HIPAA. <ul style="list-style-type: none"> <li>Train Division Administrators and their direct reports on changes and updates to the Compliance Program Indicators for (calendar year).</li> </ul>	H		
3	EMTALA	Federal law requires a "dedicated emergency department" to provide a medical screening exam, regardless of an individual's ability to pay. Medicare does not fund providers' EMTALA requirements. <ul style="list-style-type: none"> <li>Self-assessment questionnaire regarding updated EMTALA requirements.</li> </ul>	H	<ul style="list-style-type: none"> <li>Distributed to all sites that have dedicated emergency departments</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire to be returned to OCC by (date)</li> </ul>
4	Medicare "Provider-Based Entity" Designation	Medicare reimbursement is higher for "provider based" designated entities. That designation imposes certain requirements on such entities. <ul style="list-style-type: none"> <li>Confirm consistent policy for filing for this Medicare designation.</li> </ul>	M M		

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Risk Areas	Monitoring and/or Auditing Responsibility				Hospital		Physician Practices	
	<sup>1</sup> OCC	<sup>2</sup> MCF	<sup>3</sup> PA	Shared MCF/PA				
<b>A. Medicare Hospitals (OIG work plan item)</b>								
1 Hospital Capital Payments NEW		X			X			
2 Medicare-Dependent Hospital Program								
3 Adjustments for Graduate Medical Education Payments		X			X			
4 Payments for Observation Services Versus Inpatient admission for Dialysis Services					X			
5 Nursing and Allied Health Education Payments		X						
6 Inpatient Prospective Payment System Wage Indices		X						
7 Organ Procurement Organizations								
8 Inpatient Hospital Payments for New Technologies		X			X			
9 Inpatient Psychiatric Facilities of Hospital		X			X			
10 Rebates Paid to Hospitals								
11 Outpatient Outlier and Other Charge-related Issues				X				
12 Outpatient Department Payments				X				
13 Unbundling of Hospital Outpatient Services				X				

1 Office of Corporate Compliance Privacy Office

2 Managed Care Finance

3 Patient Accounts

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Risk Areas	Monitoring and/or Auditing Responsibility				Hospital Physician Practice			
	<sup>1</sup> OCC	<sup>2</sup> MCF	<sup>3</sup> PA	Shared MCF/PA				
14 "Inpatient Only" Services Performed in an Outpatient Setting			X		X	X		
Medical Appropriateness and Coding of Diagnosis-Related Group Services					X			
15 Inappropriate Payments for Diagnostic X-rays in Hospital Emergency Departments					X	X		
16 Interpretations by Ed physicians should not be billed								
<b>B. Medicare Physicians and Other Health Professionals (OIG work plan item)</b>								
17 Billing Service Companies				N/A				
18 Physician Pathology Services								
19 Cardiography and Echocardiography Services								
20 Physical and Occupational Therapy Services						X		
21 Payment to Providers of Care for initial Preventive Physical Examination					X	X		

1 Office of Corporate Compliance Privacy Office      2 Managed Care Finance      3 Patient Accounts

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- ## Interfacing with departments in large hospitals/health systems
- Compliance Officer's interface with Departments that support the Compliance Program
    - Quality
    - Risk
    - Financial Services
    - Communications and Government Relations
    - Operations
    - Law
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## **Interfacing with departments in large hospitals/health systems (cont'd)**

- Specific issues of coordination with law department
  - Seeking advice from lawyers
  - Attorney/client privileged reviews
  - Conflict?

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## **MEC and compliance officer oversight of quality of care issues**

- Substandard care/medically unnecessary surgery
  - when does compliance officer step in?
- Parallel tracks of reviews
- Use of outside review organizations
- System-wide review?

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## **External Issues re: large hospitals and health systems' Compliance Programs**

- Large hospital systems' interface with the government
- Areas of government focus on larger hospital systems
- How a large hospital system designs and implements a Corporate Integrity Agreement
- Role of a large hospital system in policy/bill/regulation changes

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## **Large Hospitals and Health Systems' interface with the government**

- Open dialog
- Collaboration/Education
- Transparency
- Internal Coordination
- Networking with other systems
  - Sharing of tools
  - Benchmarking in Key Areas

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## Key Benchmarking Areas

Healthcare is compliant when it:



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## Large Hospitals and Health Systems' interface with the government

- External Audits
- Tracking/Coordination
- Focus Reviews
- Denial Management
- Data Automation
- Proactive Auditing
- Corrective Action

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## **How large hospitals/health systems design and implement Corporate Integrity Agreements**

- Settlement and Negotiation
- Review of other CIA's
- CCA vs. CIA
- General Counsel Teamwork
- Scope and Ramifications

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## **How large hospitals/health systems design and implement Corporate Integrity Agreements**

- Dissection of the CIA
  - Strategic Plan, Timelines, Accountability
- “System wide” Implementation
- Leverage of CIA
- Press Releases/Public Relations/System Awareness
- Similar Settlements

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## **How large hospitals/health systems design and implement Corporate Integrity Agreements**

- Independent Review Organization (IRO) Selection & OIG Approval
  - Experience & Cost
- Details & Definitions
  - Scope of Applicability/Education
  - Material Deficiencies
  - Overpayments
- Implementation
  - Compliance Committee
  - Sub Committees/Specialty
  - Compliance Liaisons

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## **Role of large hospitals/health systems in policy/bill/regulation changes**

- Legislative Committee
- Ombudsman
- Monitoring of Bulletins/Dissection
- Centralization of Communication
  - Distribution/Routing Verification
- Automation via Software (E-mail) Alerts
- Interpretive Compliance Bulletins

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## **Role of large hospitals/health systems in policy/bill/regulation changes**

- Collaboration/Round Tables
- Unity with Other Health Systems
  - Consistency/continuity/clarity
- Collaboration with State Hospital Associations
- Proactive

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## **Role of large hospitals/health systems in policy/bill/regulation changes**

- Proactive with In-house Counsel & External Law Firms
- Ghost Writing
  - Legal Firms
  - Consulting Firms
- Advisory Opinions

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