

# MEDICAID AUDIT NEWSLETTER

March 2018

## EVALUATING YOUR COMPLIANCE PROGRAM PART II

This newsletter is the second of a two-part series regarding recent Department of Justice (DOJ) and Office of Inspector General (OIG) guidance on how to measure the effectiveness of a compliance program. In Part I, we reviewed the DOJ guidance and in this follow-up we review the OIG guidance.



### OIG GUIDANCE

The OIG's resource guide provides ideas and criteria to measure the effectiveness of each of the seven elements of a compliance program. The areas addressed include:

#### 1. Standards, Policies, and Procedures

These metrics help determine whether compliance policies are accessible, and are accessed, by employees. Are appropriate policies in place and are they reviewed and revised at appropriate intervals with input of key stakeholders?

#### 2. Compliance Program Administration

Is the compliance program administered in a way that is appropriate for the size, sophistication and scope of services of the organization? Is the governing body active and knowledgeable in its oversight of the compliance program and does it promote a culture of compliance across the organization? This section also asks about (1) has the organization allocated sufficient resources to achieve the goals of the compliance program, (2) the independence of the compliance officer, and (3) the compliance officer's direct access to the board.

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## OIG GUIDANCE (Continued)

### 3. Screening and Evaluation of Employees, Physicians, Vendors and Other Agents

Are employees and vendors screened prior to their engagement and at least monthly using the OIG List of Excluded Individuals and Entities, and other government sanctions lists? Is there a plan for responding to and resolving identified sanctions and exclusions? Is there a process in place to identify and disclose conflicts of interest and are employees and vendors educated on conflicts of interest?

### 4. Communication, Education and Training on Compliance Issues

This addresses how to determine whether the compliance program has established appropriate lines of communication throughout the organization through training and other methods.



### 5. Monitoring, Auditing, and Internal Reporting Systems

How does the organization gather information regarding incidents of noncompliance? How does the organization perform and respond to internal audits? Who is auditing the auditors? Are audits of the provider periodically conducted by outside, independent organizations with experience in the audit process and documentation requirements of governmental agencies?

### 6. Discipline for Non-Compliance

Are the organization's policies on corrective action fair and followed consistently throughout the organization? Other inquiries assess the degree to which appropriate policies are in place and documentation regarding incentives and disciplinary processes is maintained.

### 7. Investigations and Remedial Measures

Organizations are prompted to evaluate their policies and guidelines on conducting investigations to ensure they are consistently and timely conducted by appropriately trained, independent investigators and whether those investigators document their actions.

## OIG GUIDANCE (Continued)

Note that many items relate to self-monitoring and audit functions, including development of an annual audit plan, conduct of compliance audits, and relying on sampling techniques. Specific types of audits are listed that rely on document review, interviews, surveys and walkthroughs to verify and inspect operations. It is recommended to hire third party auditors to validate the audit results.

The list is not intended to serve as a checklist or certification program. An organization should select measures based upon the organization's specific needs, resources, and risks as part of its ongoing compliance program assessment.



The OIG's resource guide and the DOJ's evaluation emphasizes the federal government's expectations that healthcare organizations have effective compliance programs through which they identify areas of risk, reduce the likelihood of infractions through training and policy development and appropriately respond to issues as they arise. By using the ideas in the Resource Guide and addressing the questions in the DOJ's evaluation to assess their compliance program, organizations will be in a better position to demonstrate that their programs are effective in detecting and correcting criminal violations and other non-compliant activity.

### About the TCORS Medicaid Group

Our Medicaid Audit Department is comprised of Attorney Robert D. Tobin, partner; Attorney Joseph J. Selinger, partner; James Wietrak, former DSS Director of Quality Assurance; and Denise Smith, Certified Professional Coder and Medical Auditor. They are prepared to conduct Medicaid compliance reviews or “mock audits” of a number of Medicaid providers to identify areas of potential weakness and recommended corrective actions. Both Jim and Denise have extensive knowledge of the requirements governing various types of healthcare providers and continuously keep informed as to the ongoing audits and proposed rules affecting Connecticut’s providers.



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